

FINANCIAL TIMES

TAIWAN The other China's new confidence Page 10

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World News

Bhutto seeks to assert authority over army

Pakistan's Prime Minister Benazir Bhutto is expected this week to assert her authority over the President and the military...

Crash bodies found

Rescuers have recovered 15 bodies from the wreckage of an aircraft which disappeared last week as it flew a group including US Congressman Mickey Leland to visit an Ethiopian refugee camp.

Columbia lands

The US space shuttle Columbia landed safely in the California desert after deploying what is believed to be a powerful spy satellite over the Soviet Union.

Chinese oil blaze

Five people were killed and 12 are missing in a massive blaze caused by lightning at an oil depot in China's eastern port of Qingdao.

Norway poll pointer

A poll has indicated that Norway's extreme-right Progress Party could become the country's second largest political party when the nation votes on September 11.

Wales in talks

Solidarity leader Lech Walesa will meet the leaders of the United Peasants' Party and the Democratic Party...

Belfast protest

Irish nationalists marched through Belfast in a protest marking the 20th anniversary of the deployment of British troops in Northern Ireland.

Assam violence

More than 150 people have died in violence involving Bodo tribesmen in India's Assam state over the past four days.

Spain prison protest

Prison warders in jails across Spain locked themselves up to demand protection after the mother of one of their colleagues was killed by a parcel bomb.

Balloon tragedy

Thirteen people plummeted 2,000ft to their deaths when a pair of hot air balloons collided over the Australian Outback.

Space shot failure

European space scientists failed in their third attempt to fire the rocket motor of the ill-fated Hipparcos star-mapping satellite.

Four face death

Four Maldivians were sentenced to death for their part in an unsuccessful attempt last November to overthrow the Maldives Government.

Spectator killed

A motor rally car crashed into the crowd near the northern Spanish city of Santander, killing one person and injuring four others.

Fast food

Police in Rome said more than 600 diners had their tables seized in mid-meal during six weeks of raids on open-air restaurants which encroach too far on the narrow streets of the city.

Business Summary

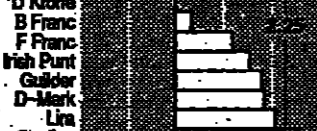
UK stores group to announce refinancing

A REFINANCING package for Lowndes Queensway, UK furniture and carpet retailer, is expected to be announced by Mr James Gulliver...

EUROPEAN Monetary System

The D-Mark stayed firm against its EMS partners last week despite losing ground against the dollar.

GRD



ECU DIVERGENCE



KEY

The chart shows the two currencies on the European Monetary Unit (EMU) scale...

MERGER

US partners of the accounting firms Deloitte Haskins and Sells and Touche Ross and Co have approved a merger...

FORD

FORD de Mexico is to invest \$300m over the next six months in a 25 per cent increase of capacity...

CORONA

CORONA Corporation won the long battle for Canada's richest gold mines. The Supreme Court of Canada ruled that Lac Minerals must hand over the Page Williams mine...

BRASIL

BRASIL: Doubts were emerging over whether Brazil's latest anti-inflation initiative can win sufficient support in the two chambers of parliament.

THE International Swap Dealers Association

THE International Swap Dealers Association secured the inclusion, in US law, of provisions that greatly enhance the enforceability of claims arising from failed swaps contracts.

BAT Industries

BAT Industries, tobacco-based US conglomerate fighting a \$1.5bn (\$21.6bn) bid from the Hoylake consortium, made clear that its initial defence will be to stress its strengths.

EUROPEAN central banks

EUROPEAN central banks should compete to provide a stable currency for the unified European Community market according to the Institute of Economic Affairs in an alternative scheme to the monetary union proposed by the EC.

MOTOR Industry

MOTOR Industry: The rate of growth in West European new car sales slowed significantly in July, but the European motor industry is still on track for record sales for a fifth year in a row.

GREECE'S temporary conservative-communist administration

GREECE'S temporary conservative-communist administration is facing a record surge in the public sector deficit and a partial reversal of recent improvements in the country's external balances.

Botha, de Klerk to meet amid National Party crisis

By Patti Waldmeir in Johannesburg

SOUTH AFRICAN President P. W. Botha will this morning confront his likely successor, Mr F. W. de Klerk, in the climax to a political dispute which has embarrassed the country's ruling National Party...

Political analysts said that it appeared Mr de Klerk had succeeded in rallying the Cabinet behind him, but they stressed that the outcome of today's meeting remained in doubt...

or even Mr de Klerk himself - over the issue. They suggested that any dismissals might in turn provoke the mass resignation of the Cabinet in protest.

White House warns Fed caution could trigger US recession

By Lionel Barber in Washington

MR RICHARD DARMAN, President George Bush's budget director, yesterday warned the Federal Reserve that high interest rates and tight money risked tipping the US economy into recession.

Progress on global securities regime

By David Lascelles, Banking Editor, in London

FINANCIAL regulators in several leading industrial countries are preparing to take the first step towards establishing a global regime for the securities industry.



A family hides underground in Moslem West Beirut yesterday amid continued shelling between Syrian and Lebanese troops

Christian stronghold stormed by Syrians

By Lara Marlowe in Damascus and George Graham in Paris

SYRIAN troops and their allies launched the first ground offensive in five months of fighting in Lebanon yesterday when they attacked a Christian stronghold overlooking Beirut...

UK retail sales growth stalls as interest rates start to bite

By Ralph Atkins and Peter Norman in London

THE IMPACT of high interest rates on British consumers is clearly illustrated today by a survey showing retail sales growth nearly at a standstill last month.

to support the view of Mr Nigel Lawson, the Chancellor of the Exchequer, that retail price inflation has peaked.

Official figures for retail sales in June, published last week, showed a 2.3 per cent fall compared with the previous month. Provisional figures for July are due later today.

The index figure is, however, unlikely to calm fears that underlying inflationary pressures remain in the pipeline.

CONTENTS

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OUR EXPERIENCE IN BUILDING UP INVESTMENT VALUE IS ROCK-SOLID.

We operate on the principle of security and the largest possible return. This must work because amongst our clients are large companies with significant funds to invest.

OVERSEAS NEWS

HEAD COUNT PUTS SUPPORT IN DOUBT

Congress may not back Brazil inflation move

By Ivo Dawanay in Rio de Janeiro

DOUBTS were emerging at the weekend about whether Brazil's latest anti-inflation initiative, launched by congressional leaders less than two weeks ago, can win sufficient support in the two chambers of parliament.

President José Sarney has promised to table legislation enacting a number of the 30-odd measures this week. Among them are plans to privatise 14 state-owned companies, closures of government agencies and the purely symbolic gesture of the sale of ministerial mansions in Brasília.

But some analysts now say a head count of congressmen suggests majority support could be in doubt. Left-wing parties have boycotted the package and many other deputies and senators are away from the capital, raising support for candidates in November's presidential elections.

Critics of the hurriedly announced proposals say the leaders of the two chambers, Senator Nelson Carneiro and Deputy Passos de Andrade, failed to take adequate soundings among their colleagues before announcing the initiative.

There is also expected to be considerable opposition in Con-

gress to the sale of profitable state-owned companies, such as Usiminas, a successful subsidiary of the heavily indebted steel-making group, Siderbrás. With price rises now at about 30 per cent a month, pressure has been mounting on the government from all quarters to introduce new austerity measures aimed at cutting its budget deficit.

Many fear it will be hard to keep the inflation rate below 50 per cent a month by the November 15 elections.

Mr Sarney's close advisers are said to have warned him that if he does not act now, he may be forced to follow President Raúl Alfonsín of Argentina and hand over power to his successor early.

Officially, the new president will be inaugurated on March 15, but there is widespread speculation that this might have to be brought forward to the beginning of January if inflation is out of control. Those sceptical of any serious action by Congress have noted that while Mr Sarney is offering to sell ministers' mansions, both Mr Carneiro and Dep Andrade have hesitated to give up their grace-and-favour official residences.

Canada forced to stop looking on the bright side

Even the optimists can see the slowdown lurking in the latest economic figures, writes David Owen

FOR at least seven quarters, Canadian economists have admonished Mr Michael Wilson, Finance Minister, for being too optimistic in his economic forecasts, and have projected that the country's lengthy spell of robust growth — entering its seventh year — was poised to splutter.

So far, they have been consistently and comprehensively wrong. According to revised figures released recently by Statistics Canada, real Canadian gross domestic product surged by 4.5 per cent in 1987 and fully 5 per cent last year. This expansion was half a point faster, in each case, than previously supposed.

At first glance, figures covering the 1988 first quarter suggest that the unblemished record has been maintained. Real GDP advanced a further 0.9 per cent. This is just 0.1 per cent below the average rate of quarterly growth recorded in 1988.

On closer inspection, however, the last batch of statistics really did contain strong pointers that a significant slowdown — or even a recession — is on the way.

Even optimists such as Mr William Mackness, dean of the Management Faculty at the University of Manitoba, allow that the first quarter figures are indicative of "some modest

slowing". Mr Mackness none the less expects continuing deregulation and the impact of the US-Canada free trade agreement to keep the expansion going for a year or two yet.

Less sanguine observers believe that they could herald a pronounced downturn beginning later this year. "I think that we may now see a recession in the last quarter," says Mr Jeffrey Rubin, senior economist with Wood Gundy, the Toronto investment dealer.

There are several reasons — not least a recognition of the unusual longevity of the present business cycle — to explain why an ostensibly positive set of figures has been greeted so despondently.

There are several reasons — not least a recognition of the unusual longevity of the present business cycle — to explain why an ostensibly positive set of figures has been greeted so despondently

But there is evidence to suggest that both of these engines are faltering. By May, housing starts had fallen by 15 per cent

vate industry spending 13.6 per cent more than last year, with a strong increase in investment by the manufacturing

sector.

If optimists like Mr Mackness are proved correct in their surmise that the current cycle is not yet spent, further unexpected business investment may have a lot to do with it.

Any downturn in such investment would at least act as a stimulus for Canada's dwindling merchandise trade surplus, owing to the high proportion of machinery and equipment which has to be imported.

The surplus fell to an eight-year low of C\$128m in April. Faltering exports stemming from deteriorating terms of trade and poor US car sales were also partly responsible.

In addition, the first quarter

on an annualised basis from the 1988 total of 223,000.

Business investment has been climbing strongly since 1987 and may now have reached saturation.

A recent CanData survey indicated that construction of industrial plant in the first five months was down a sharp 33 per cent from year-earlier levels, although office construction was up 13 per cent.

Abundant corporate restructuring in response to fundamental structural changes such as those enshrined in the trade deal make this something of a wild card, however.

A survey of investment intentions released last week by Statistics Canada shows pri-

Consumer spending rose only 0.4 per cent, with durables such as motor vehicles and parts the most depressed category. Something of a rebound is foreseen for the second quarter as taxpayers spend their annual rebates.

Thereafter, the effects of April's leaked budget will start to be felt. Disposable income will be reduced by higher income taxes, while the sales tax rises will erode purchasing power.

The savings rate increased to 11 per cent — still low by frugal Canadian standards — from 9.9 per cent in the preceding quarter. "We have been arguing that a rebound in the savings rate from last year's 15-year low would be the sign [that a downturn was coming]," says Mr Rubin.

The increment is at least welcome in the context of Canada's C\$30bn federal budget deficit, however. This has had to be financed increasingly in recent years with foreign money.

The hardening conviction that the long-awaited slowdown is nigh has prompted a crescendo of demands for lower interest rates. The Bank of Canada's bank rate stands at 12.4 per cent, having held

remarkably steady in recent weeks.

At first, this conviction was largely confined to labour leaders and provincial premiers concerned that efforts to cool the red-hot Ontario economy were stifling growth in their own jurisdictions. Then the all-party Commons finance committee and at least one bank economist added their voices to the chorus.

But at a recent Bank of Canada board meeting, the bank's governor warned of the "underlying pressures on inflation" in the Canadian economy, saying it was at "an important juncture".

He underlined his concern "about expectations of increasing inflation becoming built into economic behaviour", and said the central bank's monetary policy actions had "necessarily remained cautious", resisting downward market pressures on short-term interest rates.

The US Federal Reserve has recently indicated its concern about the dangers of recession in the US economy over those of inflation, with successive easings in the Fed Funds rate, followed by a decline in the prime rate.

But in Canada, with inflation rising to 5.1 per cent in June, it remains far from certain that the bank's governor will respond similarly.

Peruvian miners' threatened strike may cripple industry

PERU'S 70,000 miners, many earning less than \$2 (US \$3), are planning to start an indefinite strike today that threatens to cripple the country's key industry, Reuters reports from Lima.

The miners' strike for better wages is the latest in a wave of labour strife facing President Alan García, already grappling with a leftist guerrilla insurgency that has killed 15,000 people this decade.

Mining is the backbone of the Andean nation's economy. Metals such as copper, lead and zinc account for nearly half of Peru's export earnings, and most large companies are dedicated to mining or have large investments in it.

Two strikes by the 70,000-member Miners' Federation last year started slowly but grew to paralyse the mines, devastating Peru's exports.

The miners' demands are basically the same as last year: higher wages, better working conditions and better wages and benefits — but miners say their economic plight has worsened.

"The weekly wage for many miners is less than the price of a kilo of meat. We earn barely enough to subsist," Miners' Federation boss, secretary Vicente Evangelista said.

Officials at mining companies concede that wages are low but say most companies provide free housing, schools and health care for miners in their remote mountain villages.

For the past week, the companies have repeatedly used radio advertisements to exhort workers to ignore the strike.

"Miner, your family needs you. Don't let them stop Peru from working," says one of the messages paid for by the Mining Society, a business group representing most companies.

Many companies have offered generous bonuses for workers who ignore the strike.

Mining executives say they expect the strike to draw mod-

erate support in its first days. But it could spread and if it continues for several weeks it might cripple the industry.

"Our fear is that it could become like last year's strikes. If it drags on, pressure will grow on non-strikers to stop working," said a labour relations manager at one company.

"The final impact will depend on how long it lasts."

Mr García's government accepts the miners' list of demands in principle. But the Mining Society rejects it and has gone to court to stop the government putting it into effect.

Strikes are spreading at a time when Peru's battered economy, after showing a modest recovery in June and July, appears to be faltering again.

Doctors, refuse collectors, bank workers and court clerks have all stopped work this month to demand the government step in to bring wages in line with four-digit annual inflation. Other sectors have called strikes for later this month.

"Labour federations threaten to paralyse banks, close schools, stop mining production and paralyse agriculture in the Andes. All these actions only help to speed the collapse of the country's social and economic life," said the conservative newspaper *Expreso* in an editorial on Saturday.

Inflation is accelerating again after Mr García's government managed to cut it in half from nearly 50 per cent a month early in the year.

Exports rose sharply in the first half of the year, but a successful miners' strike could erase the gains.

Real wages have fallen at least 25 per cent this year, local economists say, and workers are getting restless.

As strikes spread, police using tear gas and water cannon have dispersed almost daily marches by workers demanding wage increases in the centre of Lima.

Ford to invest \$300m in retooling Mexican plant

By Richard Johns in Mexico City

FORD DE MEXICO is to invest \$300m (US\$300m) over the next six months in a 25 per cent increase of capacity and the retooling of its export-oriented plant in Hermosillo, Sonora.

Its project is one of five recently approved and announced by the Ministry of Commerce and Industry (Secofi).

Ford's capacity is to be raised from 138,000 to 168,000. The plant is being retooled to produce the Mercury Tracer 1981 model, primarily for the US and Canadian markets.

Re-adaptation of the plant will involve it being closed down for about six months but there will be no lay-offs. The existing labour force will take part in the retooling and undergo retraining.

Ford says that the increased output capacity will create 750 jobs directly as well as many others in component plants. A company spokesman, Mr Nicholas V. Schaefer, said that Ford had invested nearly \$2bn in Mexico over the past eight years. The Hermosillo plant was inaugurated at the end of 1986.

Ford has another motor assembly facility at Cuautlan as well as engine-manufacturing plants at Hermosillo.

Ford is the third-largest vehicle producer in Mexico after Chrysler and Nissan, with nearly 19 per cent of the market.

In 1988 the company almost doubled sales from 38,972 to 61,718 and in the first quarter of this year they were 15 per cent up on the same period last year.

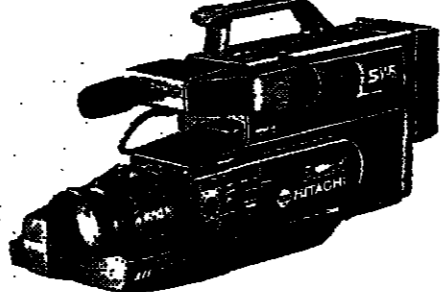
Among the other projects which have been approved, Celulosa y Papel is to build two plants for producing paper and furniture. Mabe/Leiser, an electrical appliance manufacturer, is investing \$100m in the manufacture of gas cookers destined for the US market.

Procter and Gamble is to spend \$26m to launch two new products, disposable nappies and sanitary napkins.

Secofi says that investments worth \$3.338bn have so far been approved this year, compared with a total of \$3.15bn for the whole of 1988.

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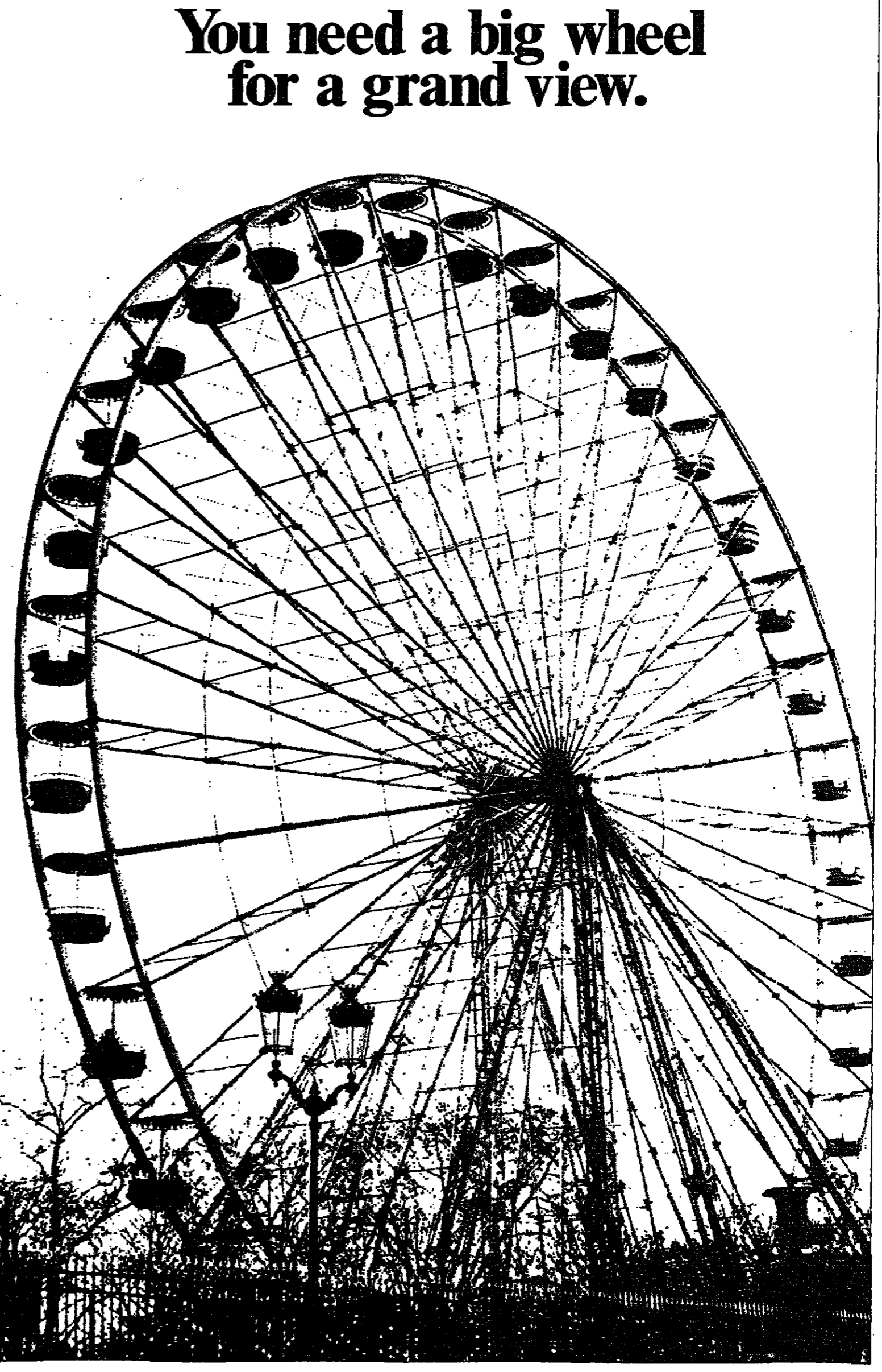


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You need a big wheel for a grand view.

UK NEWS

Going in to BAT for the public interest

Michael Cassell on the impending political storm surrounding the bid by Hoylake

ONLY ONE element appears to be missing from the £13.5bn saga unfolding around BAT Industries - a good, old-fashioned, political row. It may, however, be brewing nicely on both sides of the Atlantic.

In Washington, more than 200 members of Congress have stepped in to attack the plan by Sir James Goldsmith and his friends to "liberate" the tobacco-based conglomerate from alleged atrophy and decay. At Westminster, only the timely arrival of the summer recess has managed to temporarily keep the lid on the affair.

The attempted takeover and the issues it raises have all the ingredients for creating a political confection calculated to tempt the taste buds of any self-respecting MP, for past causes as diverse as low-tar and Pilkington, now read BAT. Given BAT's presence around Britain, under a variety of household trading names, dozens of MPs have a direct constituency interest in its fate.

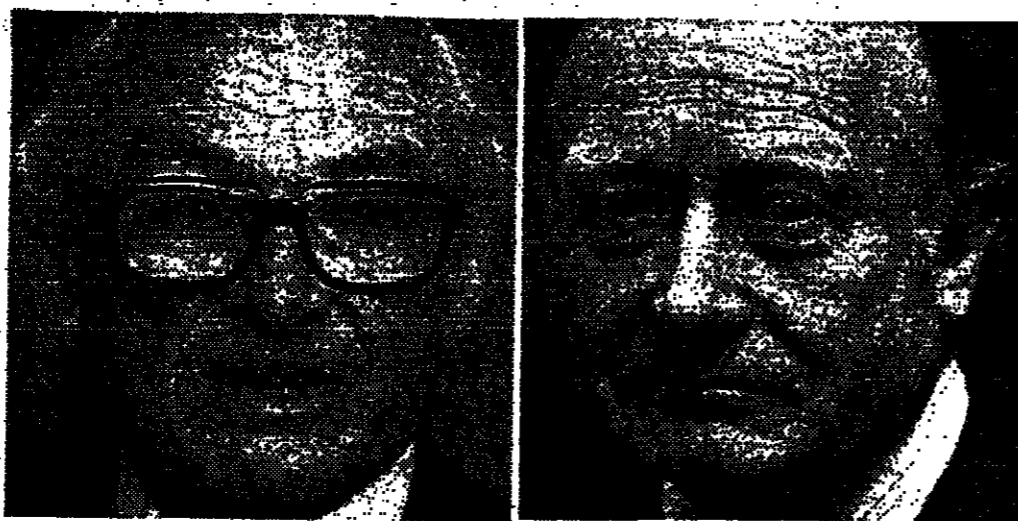
The extensive involvement in the bid of overseas participants - Mr Kerry Packard has already been described by one Labour MP as "the Australian gentleman in the stocking mask" - introduces a suitable touch of xenophobia.

In addition, the leveraged nature of the offer, together with the use of what Tory ministers call "subordinated debt" but what everyone else labels "junk bonds", has raised questions about the acceptability of a form of financial engineering that could get the City a bad name.

Overlying all these considerations is the challenge posed to the Government's policy on takeovers, mergers and demergers by a debt-financed mega-bid on a scale that potentially leaves no business safe from hostile predators.

The Confederation of British Industry has already said that one Hoylake-scale bid could win control of 25 per cent of Britain's manufacturing exports.

With ministers already accused of abdicating responsibility for the long-term restructuring of British industry to companies intent upon maximum, short-term profit, the BAT bid brings a number



Nicholas Ridley, left, and Sir Giles Shaw: clash looming over the public interest implications of the proposed takeover and the role of the Monopolies Commission

of corporate and public interest issues to the fore.

There is concern among members of all parties about the bid and its wider implications, not least some Tories. A leading critic of the Hoylake bid and of the methods being used to pursue it is Sir Giles Shaw, the former Trade and Industry Minister.

He has told Sir Gordon Borie, the Director General of Fair Trading, that the extent to which a stock market based on an equity system could be turned into one run on debt is a matter for legitimate public interest.

Sir Giles, who seems certain to attract the support of some of his Tory backbench colleagues, believes that if the

Monopolies and Mergers Commission ruled that there were no public-interest implications for the bid, there should be some form of mechanism introduced to prevent the spread of leveraged takeovers.

Dr David Owen, the leader of the Social Democratic Party, has already produced a policy paper on leveraged buy-outs, subtitled Corporate Greed and the National Interest.

His party believes it is time for what he describes as a "clear signal" to the market that the UK will not tolerate the development of Hoylake-type techniques until a comprehensive review leads to a coherent policy on the issue.

Not only does the SDP want the bid for BAT referred to the

commission but it says the Government should make automatic the referral of any highly leveraged takeover proposal in excess of £500m, regardless of the impact on competition.

Labour believes the struggle for BAT will pave the way for a flood of asset-stripping, leveraged-based deals in Britain, making debt-laden companies acutely vulnerable to recession and offering no perceptible improvement in corporate performance or efficiency.

The net result will be the sort of "short-termism" that the Government's critics accuse it of encouraging.

Well before Hoylake's emergence, the opposition had already decided that the onus of proof in large takeover bids

should be reversed, with predators having to demonstrate that bids were in the national interest before being allowed to proceed.

According to Mr John Garrett, a member of Labour's trade and industry team, who wants a referral to the commission: "The Norman Tebbit doctrine of making the criteria for the takeover of companies relate only to competitiveness is not enough and is certainly inadequate in bids such as this".

The odds, however, on the Government's insisting on a full investigation of the bid seem remote. Ministers also seem content that, far from having to develop new strategies to cope with the latest financial phenomenon, existing legislation will suffice.

The ultimate decision on whether the bid to buy BAT will go to the commission will rest with Mr Nicholas Ridley, the new Trade and Industry Secretary and a man not best known for his wish to interfere with the workings of the market. Only where private decision-making runs counter to the public interest, a tough one to prove, might his code of non-interference be temporarily suspended.

Mr John Redwood, Mr Ridley's equally new right-hand man and the minister responsible for corporate affairs and competition policy, has already made clear that his department will not normally regard a high degree of leveraging on its own as the basis for a reference.

In the past, the Department of Trade and Industry has refused to refer some leveraged bids to the commission, preferring to believe that those people with money at stake are best placed to decide on the merits or otherwise of any offer.

Mr Redwood is known to support the philosophy, believing that any other approach also effectively establishes the Government's right, at some point, to step in and requisition shareholders' rights.

By the time Parliament resumes in mid-October, the fate of BAT might still hang in the balance or it might have been decided.

Whatever the position, given half a chance, Westminster will be itching to rejoin the transatlantic battle.

Disputes threaten launch date of electricity sell-off

By Max Wilkinson, Resources Editor

A SERIES of unresolved disputes in the electricity industry has forced the Government to consider postponing its privatisation plans for at least six months.

The industry has told the Government that it has no chance of meeting the original timetable under which a dress rehearsal for the new wholesale market in power would have started in October.

Some senior professionals even believe that in their present state the systems planned for continuously buying and selling power could prove unworkable.

Mr John Wakeham, the new Energy Secretary, will be considering the need to postpone privatisation of the industry as one of his first tasks when he returns from holiday.

Major difficulties have arisen from detailed negotiations between the two halves of the

industry - generators and distributors - about the contracts which must be established between them.

Under the Government's plans, two generating companies, National Power and PowerGen will own the power stations and supply electricity to the 12 area boards which will become private distribution companies. Disputes have arisen about whether these contracts should be allowed to use surplus capacity to poach the distribution companies' larger industrial customers.

As discussions continued it became clear that this issue raised fundamental and technical questions about the contracts and about the day-to-day operation of the wholesale electricity markets, called "pools."

However, computer programmes are now almost completed for operating the pools according to the original specifications drawn up a year ago.

The industry also has to resolve tough problems about nuclear power stations. Mr Cecil Parkinson, the previous Energy Secretary, announced last month that the older Magnox nuclear reactors would not, after all, be sold. But Mr Wakeham has to decide who will run them and how the operator will be paid.

According to the programme for the sale, the electricity companies would be established in January with the Government as sole shareholder.

THE UK gas industry is to hold talks in the next few months on ways of promoting greater efficiency in the use of gas by industry, commerce and the household prompted by sections of the Electricity Act under which electricity suppliers are to be privatised over the next two years.

Failure to exploit information science prompts top inquiry

By Alan Cane

BRITAIN'S biggest companies are being asked to take part in a project which will seek to explain why so few of them exploit information technology effectively and to put forward practical solutions to what is now recognised as one of the country's most intractable business problems.

The leaders of the project, called Impact, are looking for 40 of the UK's top 100 companies to invest up to £30,000 (£48,000 each) - and a lot of time and effort - in two joint ventures.

The first will investigate the gulf in understanding between general management and data processing management; the second will measure the effectiveness of investment in information technology (IT).

The project will be managed by the National Computing Centre (NCC). Senior executives who have agreed to sit on its advisory board include Sir

Bryan Carsberg, director general of OfTel, the telecommunications regulatory body; Mr John Heywood, deputy chairman of Hambros Bank; Sir Patrick Meany, chairman of Rank Organisation; and Mr Hugh Norton, managing director of British Petroleum.

A measure of the seriousness of the issue is the amount of time and effort they have agreed to commit. One top banker who wanted to participate withdrew because of the amount of direct involvement that would have been required.

Companies taking part in the project would be expected to share their experiences through seminars and discussion groups. "Health checks" would be instituted to assess a company's IT "fitness."

Academics from Henley Management College, Templeton College, Oxford and Salford University will be contracted to help with the analysis.

'Majority' of workers women by year 2000

By John Gapper, Labour Correspondent

WOMEN will form a majority of British workers by the turn of the century, according to a new projection by the Henley Centre for Forecasting.

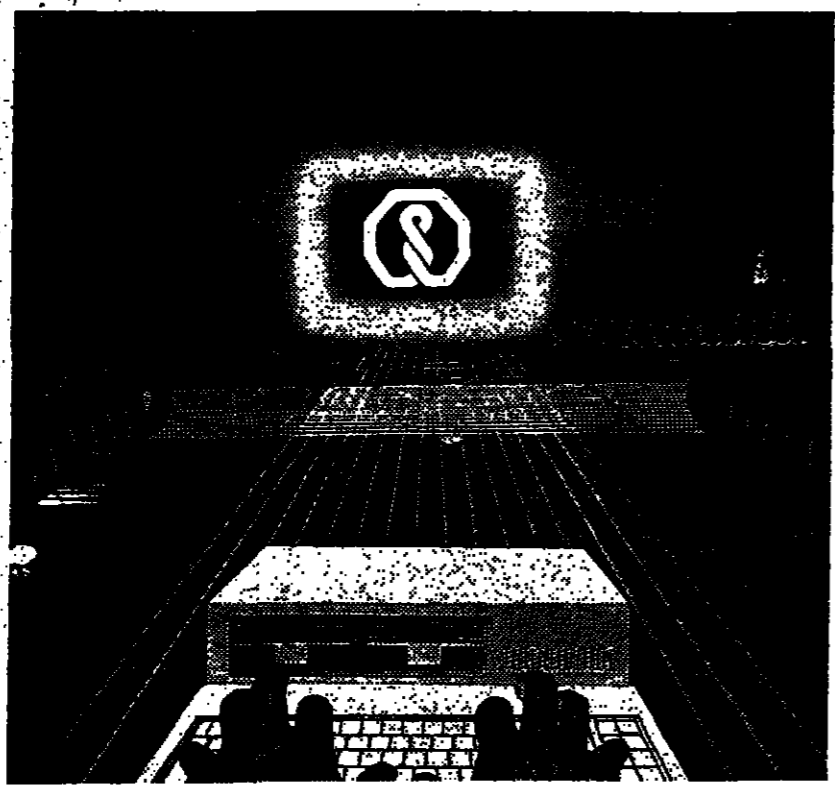
The Government has forecast that women will stay well below 50 per cent of the labour force.

The centre says a continued shortening of the break from work taken by women having children, together with a rise of 400,000 in the number of women in professional occupations by the mid-1990s will tip the balance.

The centre says companies will have to provide more child care for workers to attract women - many of whom would return to work if such facilities were available.

"Women will want to return to work, and perhaps more quickly than they have done in the past," says the report.

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CRENDON Hi-Spec Structures for Hi-Tech Industries. CRENDON STRUCTURES LIMITED. Long Crendon, Aylesbury, Bucks.

Warehouses at Leeds

HIGGS AND HILL NORTHERN is working on a £3.5m contract awarded by Norquest (UK) to build 30 warehouse units, the Norquest Industrial Park, Birstall, on the outskirts of Leeds.

IN BRIEF..

Greyhound stadium into offices

The £50m redevelopment of Derby's Greyhound Stadium into office space will be handled by **HALL & TAWSE GROUP**, construction division of Raine Industries.

The **TILBURY GROUP** has been awarded contracts worth over £33m. Civil engineering projects account for over £22m and include four contracts worth £5.2m for water authorities.

CONSTRUCTION CONTRACTS

Perry Barr shopping centre

Joint developers **Ladbroke City & County**, and **Lynton**, have awarded **R.M. DOUGLAS** a £24m contract for construction of the "One Stop" shopping centre on the A24 at Perry Barr, Birmingham.

Milton Keynes office block

FAIRCLOUGH BUILDING has won a £16.7m contract to construct a four-storey office building in the centre of Milton Keynes for **LET Offices of London**.

APPOINTMENTS

Mr Christopher Howes has been appointed Second Commissioner of the CROWN ESTATE. He becomes chief executive deputy chairman and chief accounting officer.

warehouses arranged in a U-shape around a central parking area for 1400 vehicles. Access from the A24 is a perimeter road serving both the car park and service yards.

Greyhound stadium into offices

The £50m redevelopment of Derby's Greyhound Stadium into office space will be handled by **HALL & TAWSE GROUP**.

APPOINTMENTS

Mr Adrian Johnson (above) has been appointed director of **CREDIT LYONNAIS CAPITAL MARKETS**. He is chairman of Coal Products and was deputy chairman of British Coal from 1985 to 1988.

central shopping mall which will also have a glazed roof. The whole development will be set off by distinctive lighting and decor.

APPOINTMENTS

Mr Kenneth A. Webster has joined the board of **CAPITAL VALUE BROKERS** as a non-executive director.

APPOINTMENTS

Mr J.D.D. Ogilvy, chief executive of Foreign and Colonial Management, has been appointed to the board of the parent company **TRE FOREIGN AND COLONIAL INVESTMENT TRUST**.

DIARY DATES

Table with multiple columns listing various trade fairs and exhibitions, including 'Current Gifts Fair', 'Autumn Fair', 'Overseas Exhibitions', and 'Business and management conferences'. Includes dates, locations, and contact information.

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Manufacturers Hanover Overseas Capital Corporation U.S. \$150,000,000. Guaranteed Floating Rate Subordinated Notes due August 1996.

GMAC On August 15, 1989 holders of the Asset Backed Securities will be notified to show their original certificates to their issuing Agent.

Crown Estate Commissioner of Maps and Calder, a Cayman Islands law firm. **Mr David Acland** appointed Mr David Acland as group financial controller.

LEGAL COLUMN

Advertising agencies' image on trial as lawyers face new-found freedoms

By Robert Rice, Legal Correspondent. A REPORT on the legal profession argues that successful law firms of the future will be those which make the most of new-found freedom to advertise and market their services. The report, entitled *The Legal Profession Needs Marketing*, is by **Primary Contact**, the UK business-to-business advertising subsidiary of Ogilvy & Mather.

There was a Florida lawyer who used to drive around in a hearse with No Frills Wills \$15 daubed on the side work is done on a contingent fee basis with lawyers taking up to 40 per cent of anything they recover in damages for the client.

ARTS

ARCHITECTURE

Some questions Mr Patten should ask

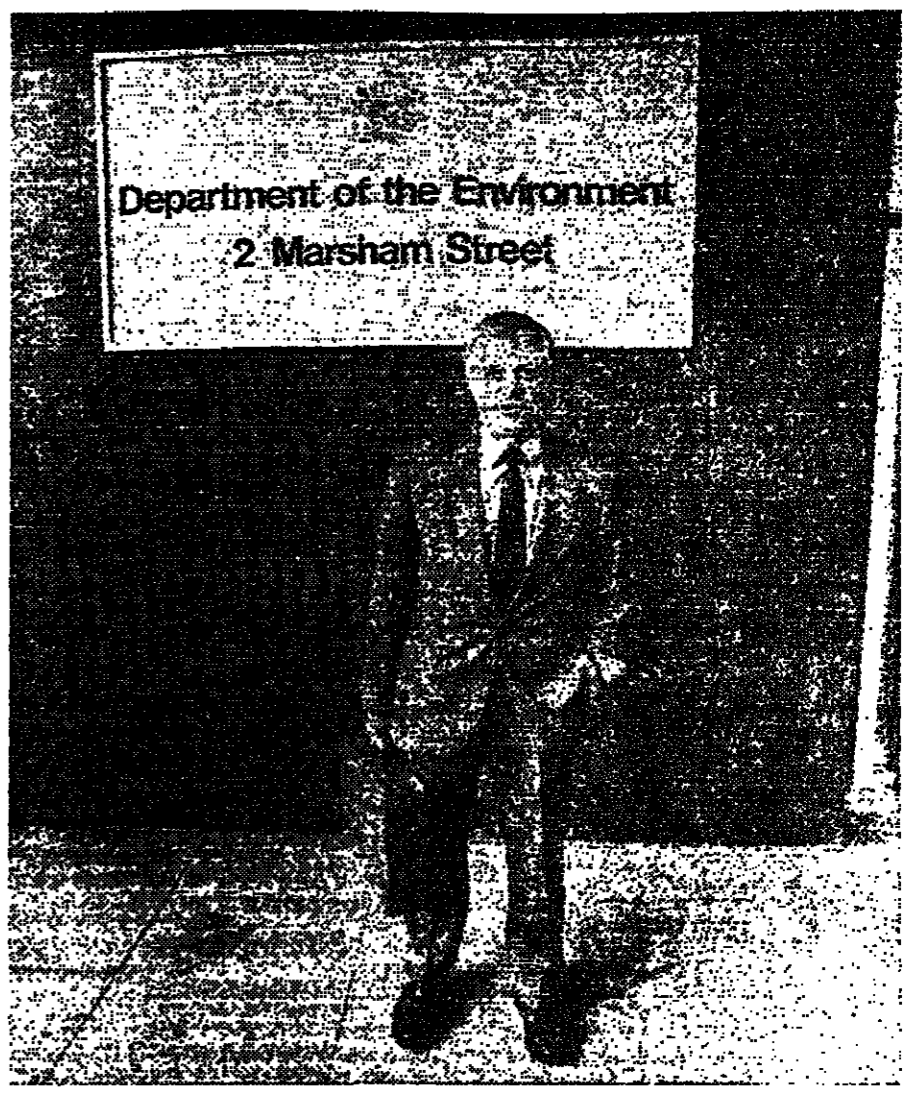
Colin Amery proffers his advice to the new Environment Minister

When the Prime Minister decided to have her reshuffle and unbundle the cabinet before the summer holidays, in a state of limbo on the beach, now that they all know what their responsibilities are...

or not a particular project will "stack-up." Now, "stacking up" is not an architectural term. It is purely a developers' shorthand that will decide whether or not something is going to work financially.

But it takes some effort - like learning the difference between good and bad wine, or understanding how to appreciate music or pictures. In the absence of trained discernment there is always a temptation to impose rules, codes and safeguards.

Mr Patten has to find ways of improving the design of houses. There is less and less need for the standard developers' house type and more and more need for flexible individual houses.



First sightings on the Edinburgh Fringe

One of our more satirical stand-up comedians accosted me in a Festival watering-hole on Saturday night and complimented me on my anorak. I patiently explained to him that I was not wearing it for sartorial effect, but for protection against some of his more impertinent colleagues on the fringe.

150 venues. Where to start? Tradition dictates the Traverse, now under the new artistic direction of Ian Brown. But something is up. I have been here two days and still not bumped into its founding director, Jim Haynes, and the famous bar has been tragically replaced with a second auditorium while the former studio, downstairs, has been converted to an awkwardly arranged, unwelcoming cafe.

Paul Brown's design contains the action on a raised platform and a mobile gridded cage, so you have the sensation of being simultaneously in a prison cell, on the scaffold, and beside an ecclesiastical catafalque. The atmosphere is imbued with fire, chimes and incense.

Kim Dambie's production is set in the after-sales service department of a small firm manufacturing kitchen blenders. A new girl is on a trial apprenticeship, two typists gossip and bicker, the office boss officiates officiously between the management and the work force, the technician is an object of amorous rivalry.

a good tea-time bet, a cabaret set in a "seedy Soho" featuring the songs of Cole Porter, Duke Ellington, and Billie Holiday. Unfortunately it also includes three excruciatingly spun-out hard luck stories of a bag-lady, a transsexual and a lonely drag artiste. Everett Scott is a notable presence.

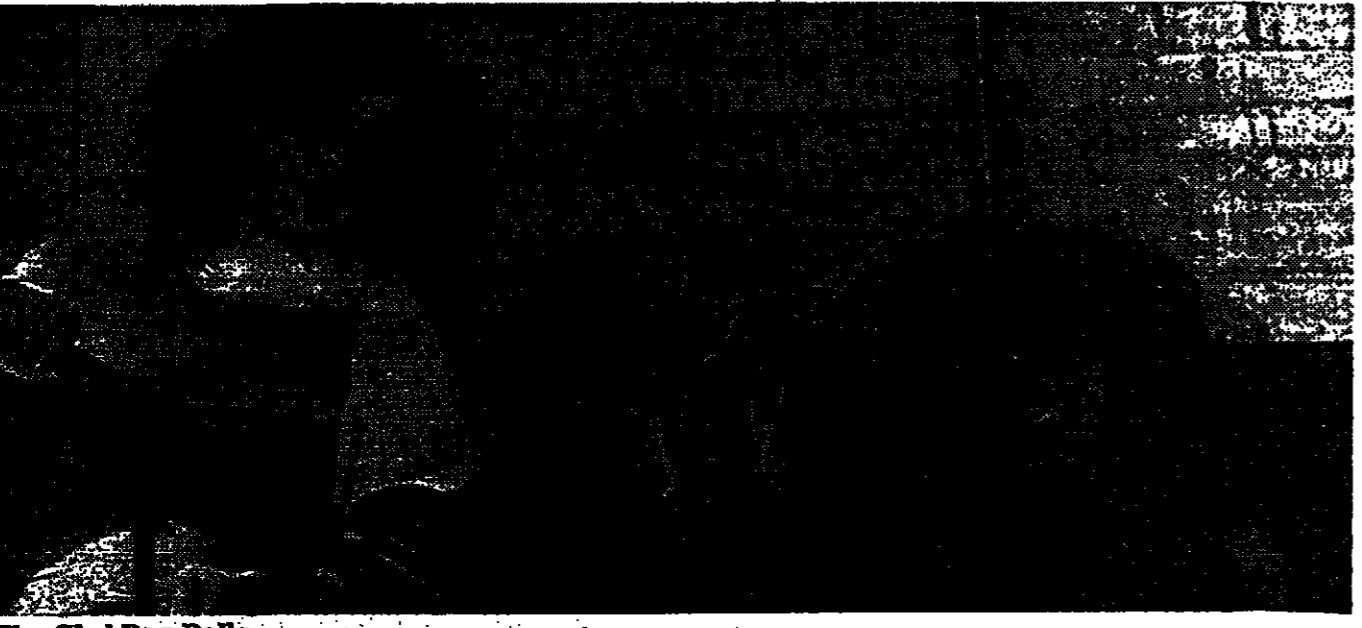
Calisto, Traviata and Der Rosenkavalier

SANTA FE

Novelty is nicely blended with mainstream repertoire at Santa Fe. Alongside Chérubin and A Night at the Chinese Opera, the current season offers La Traviata, Der Rosenkavalier and La Calisto. To judge from photographs from previous years, a conservative approach to staging is the norm - no deconstruction here - and that tradition continues this year, with only Calisto venturing outside strict period propriety.

smoothly sung, but staggily characterised - the older men in this clutch of Santa Fe productions at least have invariably been brought close to caricature. John Flore conducted, without too much subtlety, but provided the singers with solid support.

matched by a musical performance, conducted by Justin Brown, of almost equal crudity. In other circumstances there would have been some point in protesting the continued use of Raymond Leppard's performing edition, whose crusading work is all done by now, and which should leave the way clear for other, less tendentious realisations. But the brush strokes were so broad, the rhythms so soggy, the singing so lacking in any kind of style that such musical niceties seem irrelevant.



The Glad-Rag Dolls

More whale of a time to be had in the same venue with Peta Lily and David Glass, working in beautiful tandem on a captivating distillation of Moby Dick. Whale is the sort of show you want to see every year not seeing, and am very glad to catch at the Edinburgh Festival. This haunting, magical piece of total theatre, well directed by Leah Hausman, is worth twenty Omans and is confidently recommended to all anorak-wearers.

Michael Coveney

père of Brent Ellis was

Andrew Clements

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ARTS GUIDE August 11-17. MUSIC London: The Proms, Works by 114 composers will be heard during this year's Promenade Concert season which continues until September 16. Most concerts take place at the Royal Albert Hall...

Des Canyons aux Etoiles ALBERT HALL. Messiaen's ornithological epic - in which diverse twitterers wing their way from Utah's Bryce Canyon to the Celestial City - has become the London Sinfonietta's party piece. On Friday, David Atherton led them through its dozen hectic movements and Paul Crossley took on the arduous, pummeling piano solo.

Paul Driver

UK COMPANY NEWS

Ward White lifts forecast to £34m

By Philip Coggan

WARD WHITE, the retail group which is resisting a £900m offer from Boots, yesterday produced an interim pre-tax profit estimate of £34.2m, a 23.5 per cent increase on the same period last year, thanks partly to acquisitions.

per cent up at £110.2m. The chain opened a further 20 superstores, bringing the total to 114; sales, on a comparable square footage basis, grew by over 15 per cent.

sorter division, which included a first time contribution from R & S Straus, increased operating profits from £6.1m to £7.8m on sales which rose to £55m (£48.1m). Sales at Whitlock and Rose Auto improved 6 per cent in dollar terms.

a rival leveraged buyout offer to the Boots bid. The news knocked Ward White's share price to around the value of the Boots offer, allowing Boots to pick up a further 7.3 per cent in the market and take its total holding to 19.8 per cent.

Blacks calls on Goldberg to quantify its losses

By Philip Coggan

BLACKS Leisure, the retailer and fashion goods manufacturer, has called on the board of A Goldberg, the Glasgow-based retailer for which it is making a £35.7m bid, to quantify the losses it has sustained since its trading year began on March 26.

SeaCon recapitalisation plan to ward off bid

By Philip Coggan

MR JAMES Sherwood, the president of Sea Containers, said yesterday that he expected in October to be able to put a recapitalisation plan to shareholders in his efforts to fight off an \$824m (£608m) hostile bid.

received an offer of over \$60m for his standard dry cargo container and of £100m for his sale of Wight ferry operations.

between \$70 and \$100 per share, while the mechanics of the sell-offs were being implemented.

TR Australia shareholding changes hands

International Financial Markets Trading, a City-based investment policy and a scrip issue of warrants, but these found little favour with the River Plate and General Investment Trust, the company's largest shareholder.

Randsworth finishes with £7.6m

By Paul Cheeseright, Property Correspondent

RANDSWORTH Trust, the USM-quoted property company which last month accepted a £258m offer from JMB Realty Corporation of Chicago, announced a pre-tax profit increase of 16 per cent for the year ended June 30 1989.

independent company. Profits were £7.64m, against £6.58m the previous year, producing fully diluted earnings per share of 9.82p compared with 8.23p.

per share was 81p as forecasted at the time of the takeover announcement. This is 7p less than the offer by JMB.

COMPANY NEWS IN BRIEF

CHEMEX INTERNATIONAL is delaying publication of the interim results until trading in the shares is restored.

HIGHGATE & JOB Group: Directors say they have received no approaches and have no knowledge of any offers for the company.

and Superfit Tyres and Exhausts with 4 centres in Northern Ireland. The acquisition brings the total number of Kwik-Fit centres in Europe to 607.

S&P Return of Assets value up

Save & Prosper Return of Assets Investment Trust had a net asset value of 312.7p per share at May 30 compared with 255.7p a year earlier. After exercise of warrants the value was 277.2p (239.5p).

LONDON INTERNATIONAL Group has acquired Miniprints, a photoprocessing company servicing estate agents' accounts in Scotland and the north of England and Disprint which serves pharmacies and photographic dealers in central Scotland.

MEYER INTERNATIONAL, through its Florida-based subsidiary Stoenmyer and Shoemaker, has acquired the merchants and timber business of Old South Lumber in Palmetto. The purchase, for about \$1.5m in cash, includes three acres of land.

NO PROBES: The Trade Secretary has decided not to refer the following proposed acquisitions to the Monopolies and Mergers Commission: Tilbury Group by Lilley, Steelley's acquisition of 75 per cent of Callet Group, Reed International of Independent Television Publications and MacGregor of Aberdeen Glass & China.

West Trust makes profit in second half

The acquisition-expanded West Trust made a profit of £548,000 in the second half. That enabled it to erase the midway deficit and finish with £519,000 pre-tax for the year ended March 31 1989, compared with a loss of £313,000.

Kenmare lifts interest in Mozambique mineral project

By Kenneth Gooding, Mining Correspondent

KENMARE Resources, the USM-quoted Irish natural resources company, has increased its shareholding in a major minerals smds project in Mozambique, from 50 per cent to 95 per cent.

He said Kenmare hoped to get finance from international oil organisations such as the World Bank's International Finance Corporation and the Commonwealth Development Corporation.

With Kenmare in control it would also be easier to bring in another partner, he added.

Stavert Zigomala advances

Stavert Zigomala, the Manchester-based furniture and carpet wholesaler, and partner, raised its profit from £82,000 to £70,000 in the year ended March 31 1989.

ICD telephone buyer is Maxwell

International Communication & Data, formerly Publishing Holdings, has identified the buyer interested in acquiring its telephone information business as Maxwell Communication Corporation. ICD is also understood to be considering the sale or restructuring of its other other business, database marketing.

SHARE STAKES

Changes in company share stakes recently announced include: An amalgamated Financial Investments: Throgmorton Trust sold entire 2.96m shares (7.3 per cent).

Flexelle Castors: Marcel Menko sold 5,000 ordinary at 4.80p (9.5 per cent) and none beneficial (9.9 per cent).

Wholesale Fittings profits rise to £7.4m

WHOLESALE Fittings, the electrical distributor, showed an increase of 2.5 per cent in pre-tax profit, from £6.7m to £7.4m in the year ended April 30 1989.

FT Share Information Service

The following securities were added to the Share Information Service in Saturday's edition: Abbey National (Section: Banks).

SAVE & PROSPER FAR EASTERN FUND S.A.

NOTICE IS HEREBY GIVEN THAT: 1. Having regard to the revenue deficit, the Directors have declared that no dividend can be paid for the year ended 30th June 1989.

NORWICH CORRUGATED BOARD LTD. £19,250,000 Senior Debt and Revolving Credit Facilities to Fund a Management Buy-Out. Arranged by National Westminster Bank PLC Acquisition Finance Unit. Funds Provided by National Westminster Bank PLC, Banque Indosuez, London Branch, Nippon Credit Bank Limited, The Tokai Bank, Limited, Union Bank of Switzerland, London Branch, Westpac Banking Corporation. Equity and Mezzanine Finance Arranged by Philidrew Ventures. Agent National Westminster Bank PLC. NatWest Syndications.

U.S. \$500,000,000 National Westminster Bank PLC (Incorporated in England with limited liability) Primary Capital FRNs (Series "B") In accordance with the provisions of the Notes, notice is hereby given that for the six months interest period from August 14, 1989 to February 14, 1990 the Notes will carry an interest rate of 8 3/4% per annum. The interest payable on the relevant interest payment date, February 14, 1990 against Coupon No. 10 will be U.S. \$4,504.17 and U.S. \$450.42 respectively for Notes in denominations of U.S. \$100,000 and U.S. \$10,000. By: The Chase Manhattan Bank, N.A. London, Agent Bank August 14, 1989. I.G. INDEX LTD, 9-11 GROSVENOR GARDENS, LONDON SW1W 0BD Tel: 01-828 7233/5699 An AFBD member Reuters Code: IGIN, IGI0 FT 30 Aug. 1986/1975 -1 FTSE 100 Aug. 23/86/2356 -8 WALL STREET Aug. 27/14/87/48 Sep. 1974/1983 -1 Aug. 23/86/2356 -8 Sep. 27/24/87/48

State Bank of New South Wales U.S. \$250,000,000 Extendible Floating Rate Notes due 1998 Guaranteed by the Government of New South Wales Notice is hereby given that the rate of interest for the period 14th August, 1989 to 14th February, 1990 has been fixed at 6 1/2% per annum. Interest payable on 14th February, 1990 per U.S. \$10,000 Note will be U.S. \$450.42 and per U.S. \$100,000 Note will be U.S. \$4,504.17. Agent Bank: Morgan Guaranty Trust Company of New York, London. Notice of Purchase European Investment Bank £100,000,000 9 1/2% per cent. Notes due 1994 Pursuant to the terms and conditions of the Notes, notice is hereby given to noteholders, that during the twelve-month period ended August 3, 1989, £5,000,000 European Investment Bank's 9 1/2% per cent. Notes due 1994 have been purchased in satisfaction of the purchase fund. As of August 3, 1989, the principal amount of such Notes remaining in circulation was £28,000,000. By: The Chase Manhattan Bank, N.A. Fiscal Agent and Principal Paying Agent August 14, 1989

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FINANCIAL TIMES STOCK INDICES. Table with columns for various indices (Government Secs, Fixed Interest, Ordinary, Gold Shares, FT-Act All Share, FT-SE 100) and rows for dates (Aug 11, 10, 9, 8, 7, 6, 5, 4, 3, 2, 1, 1989) and High/Low values.

INTERNATIONAL CAPITAL MARKETS

US MONEY AND CREDIT

Prices data confound bond traders

EVERYBODY knows that bond investors hate inflation because rising prices for food or shelter destroy the purchasing power of a fixed income. Everybody knows they love falling prices because then their coupons and principal can buy more of everything.

would be thrown out of work and prices all over the economy would fall for lack of demand. It was with this prospect in mind that investors drove the long bond yield under 8 per cent in the last week of July.

ing to spend. At the same time, the weakness in the economy has produced some genuine price weaknesses compared with earlier in the year.

softness in the economy, no inflation and a strong dollar. There has got to be a possibility for easing. None the less, it is almost unthinkable that the Fed will ease before the meeting of its open market committee on August 22, and not very likely then.

James Buchan

US MONEY MARKET RATES (%)

Table with 5 columns: Last Friday, 1 week ago, 4 wks ago, 12-month High, 12-month Low. Rows include Fed Funds (weekly average), Three-month Treasury bill, Six-month Treasury bill, Three-month prime rate, 30-day Commercial Paper, 90-day Commercial Paper.

US BOND PRICES AND YIELDS (%)

Table with 5 columns: Last Friday, 1 week ago, 4 wks ago, 12-month High, 12-month Low. Rows include Seven-year Treasury, 10-year Treasury, 30-year Treasury.

Money supply: In the week ended July 31, M1 rose by \$0.1bn to \$778bn.

NRI TOKYO BOND INDEX

Table with 5 columns: Average, Last, 12 wks, 26 wks. Rows include Overall, Government Bonds, Municipal Bonds, Govt.-guaranteed Bonds, Bank Deposits, Corporate Bonds, Yen-denom. Foreign Bonds, Government 10-year.

Laurentian posts recovery

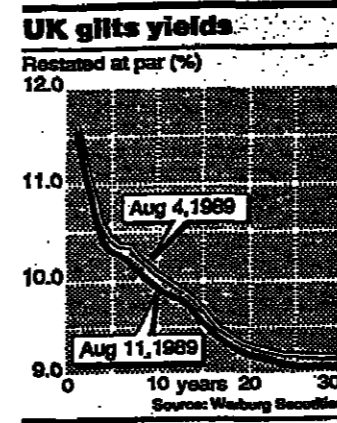
By Robert Gibbens in Montreal
LAURENTIAN GROUP, one of Canada's four largest integrated financial services groups, posted a big turnaround in profit in the second quarter.

Half-year profit was C\$14.5m, or 27 cents a share, up from C\$8.3m, or 13 cents, on revenues of C\$1.1bn, unchanged. The life insurance sector contributed C\$6.3m to earnings, against a loss of C\$3.5m a year earlier.

UK GILTS

Wages fears oust those on demand

PROBABLY no great significance was meant but certainly it was symbolic. Illustrating the front page of the Bank of England's short guide to its quarterly bulletin last week was a chart showing the rapid acceleration in unit wage costs in the past year.



Official retail sales figures last Monday showed the annual growth rate at a seven-year low. If that was not enough evidence of a slow-down, today's Confederation of British Industry/Financial Times distributive trades survey must be the clincher.

for the labour market is consistent with its prediction that the Public Sector Debt Repayment (PSDR) in 1989-90 may be less than the £14bn forecast in the Budget. Although the Bank specifically pointed to the take-up of personal pensions as depressing the surplus, slower growth in earnings also means less tax receipts.

when they had to rush purchases to approach the target of fully compensating for the PSDR over the financial year. How much more will be needed to be bought in over the remainder of the 1989-90 financial year depends partly on assumptions about the size of the PSDR and the effect of intervention on the foreign exchanges. Estimates vary from about £4bn to £9bn.

Ralph Atkins

FT/AIBD INTERNATIONAL BOND SERVICE

Large table listing international bonds with columns for Issuer, Maturity, Yield, Price, and other financial metrics. Includes sections for US Dollar, Swiss Franc, and other currencies.

Advertisement for The Peninsular and Oriental Steam Navigation Company. Features a ship illustration and text: '£100,000,000 11 1/2 per cent. Bonds 2014 Issue Price: £99 1/4 per cent. Underwritten and placed by Barclays de Zoete Wedd Limited'. Includes the company logo and 'BARCLAYS de ZOETE WEDD' at the bottom.

STRAIGHT BONDS: Yield to redemption of the mid-price. Amount issued is expressed in millions of currency units except for Yen bonds, where it is in billions. CONVERTIBLE BONDS: US dollars unless indicated. Margin above six-month offered rate for US dollars. C.c.p. - current coupon. WARRANTS: Equity warrant premium - exercise premium over current share price. Bond warrant at yield - exercise yield at current warrant price. Closing prices on AUGUST 13.

INTERNATIONAL COMPANIES AND FINANCE

Calls to bring watchdogs into line

David Lascelles on moves to harmonise securities rules worldwide

For years, practitioners and regulators of the securities business have been calling for greater international consistency in securities regulation.

In particular, there have been calls for a "Cooke Committee" for the securities industry - a reference to the Basle-based group of international banking supervisors which has been working for more than 15 years on a global regime for the banking industry. Its work culminated last year in an internationally agreed set of rules for capital adequacy which, by general consent, has helped bring greater order and fairness to the world banking market.

The securities industry lacked a comparable body. Now the International Organisation of Securities Commissions (IOSCO) is preparing to take a leading role.

The proposals which the Montreal-based body will be putting forward at its annual conference in Venice next month will mark the first step in the creation of internationally agreed rules for the securities industry. These will reflect the growing internationalisation of securities markets in recent years - and the need for countries to be more consistent in their regulatory approach, and for regulators to be able to swap information to keep track of securities firms' cross-border dealings.

One of the officials close to the discussions said: "There is a real readiness on the part of regulators to go down a common road."

IOSCO's task differs in many respects from the Basle Committee's. IOSCO lacks - at present at any rate - Basle's authority. So it needs to proceed more cautiously to obtain consensus. And consensus will be more difficult to achieve because of the diversity of securities industries in different countries.

Mr Alan Greenspan, the Fed chairman, recently told a Senate Committee that he supported harmonisation efforts. But he warned: "The nature and regulation of securities markets have been sufficiently diverse that a multilateral regulatory approach along the lines of the Basle agreement on capital guidelines for commercial banks may be difficult."

IOSCO accepts that the work



Alan Greenspan supports harmonisation efforts

will be slow. But officials point out that it took Basle more than a decade to get where it is now, and even so its work is not complete.

Whatever emerges from the discussions will also be in the nature of a voluntary agreement, like Basle. But if the Basle pattern is any guide, countries which do not subscribe to it will be conspicuously ostracised by the rest, and risk acquiring a bad name.

IOSCO is a relatively new arrival on the international scene. Established originally as a forum for South American securities regulators, it has grown in the last few years to include all the major industrial nations. Today, it is the leading international body for securities regulators with 50 members, including the US Securities and Exchange Commission, the UK's Securities and Investments Board, the Securities Bureau of Japan's Finance Ministry, and France's Commission des Opérations de Bourse.

Two years ago it set up a technical committee to look into international regulatory problems. This was split up into several working parties, one of the most important of which was to look into the definition and maintenance of capital adequacy for multinational securities firms, and the exchange of financial data between regulators.

Its members include representatives of the 12 countries with the most developed securities industries: Canada, France, Australia, Germany, Hong Kong, Italy, Japan, the Netherlands, Sweden, Switzerland, the US and the UK. Mr

Jeffrey Knight, the chief executive of the London Stock Exchange, was chosen to head it.

Although IOSCO declines to discuss the working party's proposals in advance of the Venice meeting, it is clear that they will advocate a particular approach to the problem rather than put forward a ready-made set of rules. There will not, for example, be Basle-style formulas for capital adequacy or minimum ratios at this stage.

The kind of issues which prompted these discussions have included the emergence of huge multinational securities firms, operating in many countries at once, and often engaging in activities abroad which are not permitted in their home countries. Financial innovation has also thrown up new sorts of risks which need to be monitored. All this required more regulatory co-operation.

The main achievement of the group has been to obtain agreement among the leading nations on the type of capital adequacy regime that will become universal. This will be modelled on the so-called risk-based system which links the amount of capital which an individual firm needs to the risks in its trading positions on a daily basis. This is the system used in the US and the UK and which the Japanese have pledged to introduce next year.

This system was thought to be more effective and flexible than alternatives, such as requiring high minimum capital as a condition of entry into the business, but little supervision thereafter. This is wasteful and tends to discourage

smaller entrants.

One event which gave the working party considerable impetus was the October 1987 market crash. Although it happened only months after the group was formed, it showed regulators that they needed to co-operate - and could do so successfully.

More recently, though, they have also been keen to influence the growing debate within the European Community over the shape of the single market for securities. With an investment services directive now taking shape, they want to ensure that the EC regime is consistent with the approach taken by the IOSCO initiative.

Although all the leading EC nations are members of IOSCO, this was no guarantee that the EC would adopt the same tack. "There is a desperate need," one official said, "to ensure that rules in Europe are not developed which are wholly incompatible with those in the UK and the US."

One problem is that, in Continental Europe, the bulk of the securities business is conducted by banks. The IOSCO proposals specifically cover only non-banks. But there is a widely recognised need for banks and non-banks to be similarly regulated for reasons of competitive equality.

The IOSCO proposals are likely to receive a mixed reaction within the securities industry itself. Although many practitioners have backed calls for greater international harmony, others say they are worried that this sort of initiative will only create yet another layer of rules. Practitioners have not been invited to present their view to the IOSCO working party, and this could provoke a stronger reaction when they are laid before the public next month.

IOSCO officials are optimistic that their initiative will eventually produce substantial results. Aside from this working group, there are others looking at multinational share offerings, multiple listings, accounting standards, off-market trading, clearing and settlement, and futures markets.

"There is a great deal of determination on the part of securities regulators from all round the world to deal with these matters," said Mr Jean-Pierre Cristel, IOSCO's assistant secretary-general.

Corona wins battle for Ontario gold mines

By Robert Gibbens in Montreal

CORONA Corporation has won the long battle for Canada's richest gold mines, which are in the Hemlo area of Northern Ontario.

The Supreme Court of Canada, upholding two lower court decisions, has ruled that Lac Minerals must hand over the Page Williams mine to Corona. It has estimated reserves worth between C\$3bn (US\$2.56bn) and C\$4bn.

The legal battle over ownership began in 1981. The court ordered Corona and its partner, Teck Corporation, to pay around C\$210m to Lac to compensate it for development costs for the Page Williams mine.

All five Supreme Court judges found that Lac had broken a confidentiality agreement with Corona by buying claims in 1981.

Lac finally bought the Page Williams property because of information it received under the agreement from Corona, then a small mining company, they said, and that it used the information to the detriment of Corona.

Mr Peter Steen, Corona's president, said his company hopes to take over the mine immediately. Page Williams will produce nearly 500,000oz of gold this year. With its share of production, Corona will become Canada's third-largest gold producer.

Corona will step up exploration, and Page Williams will replace declining production at its British Columbia gold mine and much more.

Teck, the big Vancouver mining group, owns 50 per cent of Page Williams, under a 1985 agreement with Corona, and shares profits. It also will share in the repayments of development expenses to Lac.

Correction
Novo-Nordisk
FIRST-half pre-tax profits by Denmark's Novo-Nordisk were DKr589m (\$77.6m), not DKr76.7m, as stated in a report on August 10. Sales by the health care group were DKr2.7m and not, as reported, DKr2.47m.

Lowndes Queensway to unveil refinance package

By Maggie Urry

A REFINANCING package for Lowndes Queensway, the furniture and carpet retailer chaired by Mr James Gulliver, should be announced by the end of this week, Mr Eddie Dayan, managing director, said yesterday. The company was formed by the £450m leveraged buy-out of Harris Queensway last summer.

Responding to rumours that the retailer was in trouble, Mr Dayan said: "Receivership is completely out of the question. There is no crisis." He said the problem was essentially one of short-term cash flow and that the group's trading strategy was working better than internal forecasts.

Many retailers of such big ticket items as furniture, carpets and electrical goods have seen sales fall following the rise in interest rates and slowdown in the housing market.

Mr Dayan said he could not reveal details of the refinancing which is in the final stages of negotiation, but that the package would enhance the group's balance sheet.

It is thought by bankers that Lowndes Queensway will need perhaps £15m to £20m of new money and that some repayments to banks will be resched-

uled. This is expected to be sufficient to ensure the group has sufficient working capital to see it through the current trading difficulties.

Mr Dayan said an announcement would be made today which he thought would stop the company's share price sliding further. It is likely to be a holding statement to reassure shareholders and employees.

The shares fell 5½p to 23¼p on Friday, and have fallen considerably since they were valued at 100p at the time of the buy-out by Hoare Govett, Lowndes Queensway's brokers.

The refinancing was needed because of short-term trading difficulties, with sales in the shops running "substantially below last year on a like-for-like basis," Mr Dayan said. Recently trading had improved slightly, he said.

Lowndes Queensway also needed extra funding for a programme to refurbish some of the group's stores which would cost £10m in the current financial year, ending January 1990. Results from stores which had been changed to a new format were "outstandingly good," Mr Dayan said.

The group planned to switch 80 carpet shops and 20 furni-

ture stores to the new formats by the financial year-end. Those which had already been changed were showing sales gains of 43 per cent in carpets and 23 per cent in furniture, sufficient to pay back the investment in eight months and one year respectively.

Last week Mr Gulliver and Mr Dayan met the group's larger institutional shareholders to explain the refinancing plans. These meetings went well, Mr Dayan said.

The refinancing will involve a shift of some medium-term debt to short-term debt. Sales of businesses and some shops had raised £91m in cash for Lowndes Queensway, most of which had been used to repay debt, he said.

The group had been on course to finish the financial year £30m ahead of target on the repayment of medium-term debt, Mr Dayan said, but was in need of a larger overdraft.

The medium-term debt is at fixed rates of interest of about 13½ per cent, but overdraft rates are higher. However, the extra interest rate burden would not be large, Mr Dayan said.

● Ward White, Page 14; Eurocredits, Page 15

Accounting firms agree merger

THE US partners of Deloitte Haskins and Sells and Touche Ross, the accounting firms, have approved a merger, the firms announced last night. Reuter reports from New York.

The combined firm will have 65,000 employees world-wide, and revenue in 1989 of more than \$4bn. Partners outside the US are expected to approve the merger over the next several months.

The new firm will be known as Deloitte and Touche in the US and Deloitte Ross Touche internationally. US employees will number about 20,000.

Mr Michael Cook, Deloitte chairman and chief executive, said: "The increased strength of the new firm in key European and Asian markets will enhance the resources available to meet our clients' needs as they respond to the eco-

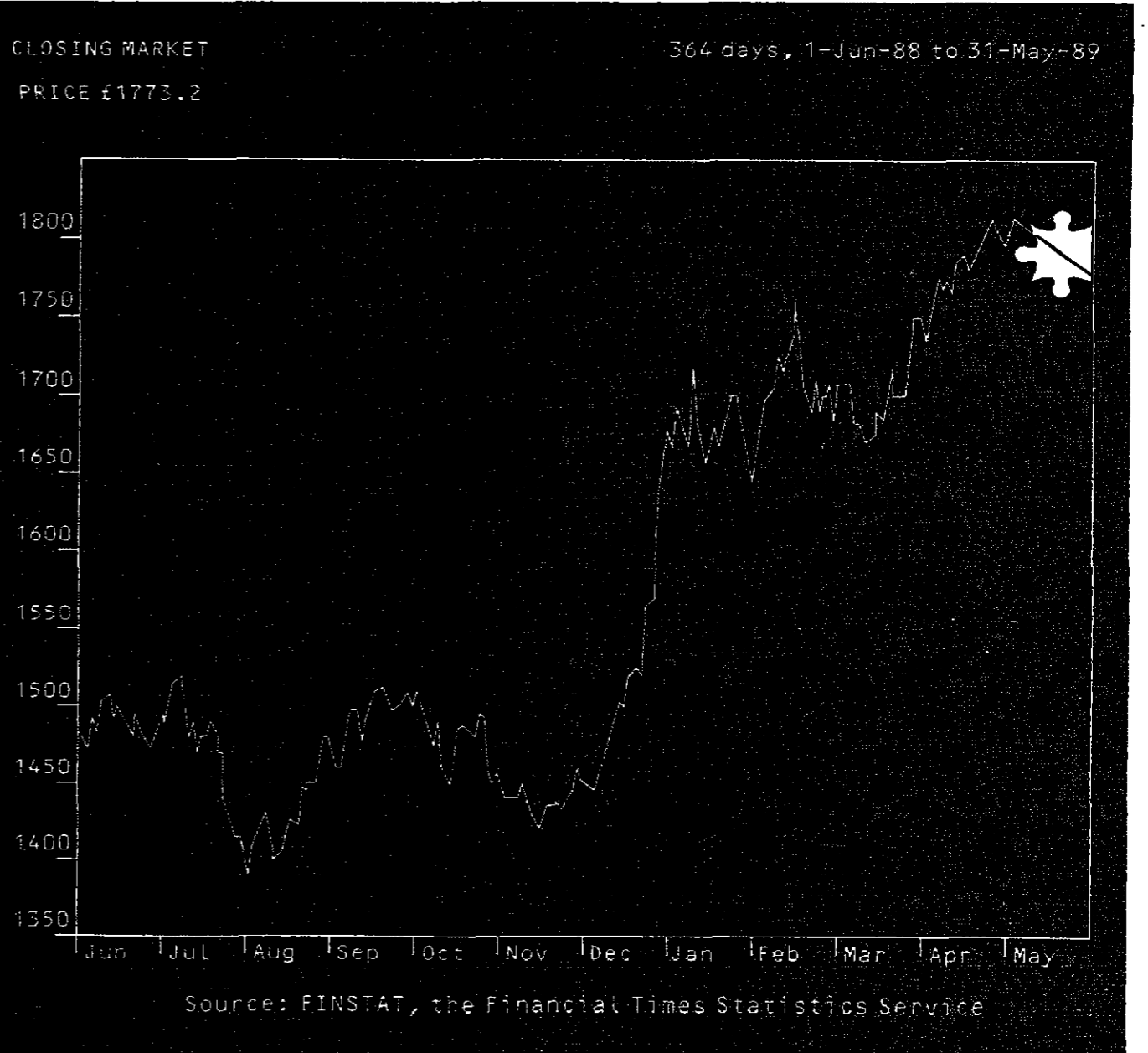
nomie unification of Europe targeted for 1992 and the opportunities in the Pacific Rim."

Mr Edward Kangas, managing partner and chief executive of Touche Ross said that the combined organisations would provide clients with a broader range of services and greater depth in industry and other specialised areas.

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FINANCIAL TIMES
LONDON & BUSINESS NEWS SERVICE



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FT UNIT TRUST INFORMATION SERVICE

For Current Unit Trust Prices on any telephone ring direct-0884 + five digit code (listed below). Calls charged at 36p per minute peak and 29p off peak, inc VAT

AUTHORISED UNIT TRUSTS

Table listing various unit trusts under the 'AUTHORISED UNIT TRUSTS' section, including names like Abbey Unit Trust, National Management Ltd, and others.

Table listing unit trusts under the 'BANKING AND FINANCIAL SERVICES' section, including Bank of Ireland, Barclays, and others.

Table listing unit trusts under the 'EQUITY AND BOND' section, including Equitable, Fidelity, and others.

Table listing unit trusts under the 'GENERAL INVESTMENT' section, including General, Guinness, and others.

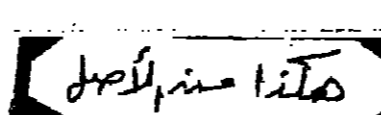
Table listing unit trusts under the 'INTERNATIONAL' section, including International, Lazard, and others.

Table listing unit trusts under the 'MONEY MARKET' section, including Money Market, National, and others.

Table listing unit trusts under the 'PENSION' section, including Pension, Prudential, and others.

Table listing unit trusts under the 'SPECIFIC INVESTMENT' section, including Specific Investment, Standard Life, and others.

GUIDE TO UNIT TRUST PRICING: A detailed section explaining the pricing mechanism for unit trusts, including terms like 'Net Asset Value' and 'Unit Price'.



Justino Lito

FT UNIT TRUST INFORMATION SERVICE

For Current Unit Trust Prices on any telephone ring direct-0536 4 + five digit code (listed below). Calls charged at 38p per minute peak and 25p off peak, inc VAT

Main table containing unit trust information with columns for Name, Price, Yield, and other financial metrics. Includes sub-sections for 'OTHER UK UNIT TRUSTS' and 'INSURANCES'.

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

LONDON SHARE SERVICE

Table of FT Unit Trust Information Service listing various unit trusts, their managers, and performance metrics.

Table of London Share Service listing British Funds, Loans, American Funds, and Money Market Bank Accounts.

LONDON SHARE SERVICE

For Latest Share Prices on any telephone ring direct-0805 43 4 four digit code (listed below). Calls charged at 88p per minute peak and 26p off peak. Inc VAT

AMERICANS - Contd

Table listing American stocks with columns for Market, Stock, Price, Div, Last, Dividends, City, and Date.

BUILDING, TIMBER, ROADS - Contd

Table listing building, timber, and roads stocks with columns for Market, Stock, Price, Div, Last, Dividends, City, and Date.

DRAPERY AND STORES - Contd

Table listing drapery and stores stocks with columns for Market, Stock, Price, Div, Last, Dividends, City, and Date.

ENGINEERING

Table listing engineering stocks with columns for Market, Stock, Price, Div, Last, Dividends, City, and Date.

INDUSTRIALS (Misc.) - Contd

Table listing industrial stocks with columns for Market, Stock, Price, Div, Last, Dividends, City, and Date.

INDUSTRIALS (Misc.) - Contd

Table listing industrial stocks with columns for Market, Stock, Price, Div, Last, Dividends, City, and Date.

CANADIANS

Table listing Canadian stocks with columns for Market, Stock, Price, Div, Last, Dividends, City, and Date.

ELECTRICALS

Table listing electrical stocks with columns for Market, Stock, Price, Div, Last, Dividends, City, and Date.

FOOD, GROCERIES, ETC

Table listing food, groceries, etc. stocks with columns for Market, Stock, Price, Div, Last, Dividends, City, and Date.

BEERS, WINES & SPIRITS

Table listing beer, wine, and spirit stocks with columns for Market, Stock, Price, Div, Last, Dividends, City, and Date.

DRAPERY AND STORES

Table listing drapery and stores stocks with columns for Market, Stock, Price, Div, Last, Dividends, City, and Date.

INDUSTRIALS (Misc.)

Table listing industrial stocks with columns for Market, Stock, Price, Div, Last, Dividends, City, and Date.

BANKS, HP & LEASING

Table listing bank, HP, and leasing stocks with columns for Market, Stock, Price, Div, Last, Dividends, City, and Date.

CHEMICALS, PLASTICS

Table listing chemical and plastic stocks with columns for Market, Stock, Price, Div, Last, Dividends, City, and Date.

HOTELS AND CATERERS

Table listing hotel and caterer stocks with columns for Market, Stock, Price, Div, Last, Dividends, City, and Date.

INSURANCES

Table listing insurance stocks with columns for Market, Stock, Price, Div, Last, Dividends, City, and Date.

BUILDING, TIMBER, ROADS

Table listing building, timber, and roads stocks with columns for Market, Stock, Price, Div, Last, Dividends, City, and Date.

INDUSTRIALS (Misc.)

Table listing industrial stocks with columns for Market, Stock, Price, Div, Last, Dividends, City, and Date.

WIRE PURCHASE, LEASING, ETC.

Table listing wire purchase, leasing, etc. stocks with columns for Market, Stock, Price, Div, Last, Dividends, City, and Date.

DRAPERY AND STORES

Table listing drapery and stores stocks with columns for Market, Stock, Price, Div, Last, Dividends, City, and Date.

HOTELS AND CATERERS

Table listing hotel and caterer stocks with columns for Market, Stock, Price, Div, Last, Dividends, City, and Date.

INSURANCES

Table listing insurance stocks with columns for Market, Stock, Price, Div, Last, Dividends, City, and Date.

BUILDING, TIMBER, ROADS

Table listing building, timber, and roads stocks with columns for Market, Stock, Price, Div, Last, Dividends, City, and Date.

INDUSTRIALS (Misc.)

Table listing industrial stocks with columns for Market, Stock, Price, Div, Last, Dividends, City, and Date.

BUILDING, TIMBER, ROADS

Table listing building, timber, and roads stocks with columns for Market, Stock, Price, Div, Last, Dividends, City, and Date.

DRAPERY AND STORES

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HOTELS AND CATERERS

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DRAPERY AND STORES

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HOTELS AND CATERERS

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INSURANCES

Table listing insurance stocks with columns for Market, Stock, Price, Div, Last, Dividends, City, and Date.

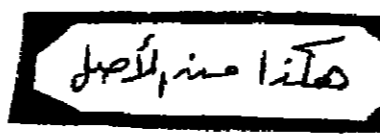
BUILDING, TIMBER, ROADS

Table listing building, timber, and roads stocks with columns for Market, Stock, Price, Div, Last, Dividends, City, and Date.

INDUSTRIALS (Misc.)

Table listing industrial stocks with columns for Market, Stock, Price, Div, Last, Dividends, City, and Date.

Asplina Ltd



LONDON SHARE SERVICE

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LEISURE

Table listing leisure companies such as British Airways, British Telecom, and British Petroleum, including their share prices and market data.

PAPER, PRINTING, ADVERTISING - Contd

Table listing companies in the paper, printing, and advertising sectors, including titles like 'The Sun' and 'The Daily Mail'.

TEXTILES - Contd

Table listing textile companies such as Burberry, Next, and Marks & Spencer.

TRUSTS, FINANCE, LAND - Contd

Table listing trusts, finance, and land-related companies like National Westminster Bank and City of London.

OIL AND GAS - Contd

Table listing oil and gas companies such as BP, Shell, and British Petroleum.

MINES - Contd

Table listing mining companies like Anglo American and De Beers.

MOTORS, AIRCRAFT TRADES

Table listing motor and aircraft trade companies such as British Airways and British Caledonian.

PROPERTY

Table listing property-related companies and real estate firms.

TOBACCO

Table listing tobacco companies like British American Tobacco.

TRANSPORT

Table listing transport companies such as British Airways and British Caledonian.

OVERSEAS TRADERS

Table listing overseas trading companies like Anglo Siam and Anglo Japanese.

THIRD MARKET

Table listing third market trading activities and related companies.

COMMERCIAL VEHICLES

Table listing commercial vehicle companies such as Leyland and Daimler.

TRUSTS, FINANCE, LAND

Table listing trusts, finance, and land-related companies.

FINANCE, LAND, ETC

Table listing finance, land, and other related companies.

PLANTATIONS

Table listing plantation companies like Guthrie & Co.

RUBBERS, PAINTS

Table listing rubber and paint companies such as ICI and Akzo.

MINES

Table listing mining companies and their share prices.

NEWSPAPERS, PUBLISHERS

Table listing newspaper and publishing companies like News International.

PAPER, PRINTING, ADVERTISING

Table listing paper, printing, and advertising companies.

SHOES AND LEATHER

Table listing shoe and leather companies like Clarks and Timberland.

SOUTH AFRICANS

Table listing South African companies like Anglo American and De Beers.

OIL AND GAS

Table listing oil and gas companies.

REGIONAL & IRISH STOCKS

Table listing regional and Irish stocks from various markets.

Notes and disclaimers regarding the accuracy of the data and the service provided.

CURRENCIES, MONEY AND CAPITAL MARKETS

CURRENCIES AND MONEY REVIEW

Short pound expensive on present view

THE COMBINATION of a stronger currency and lower interest rates does not represent an ideal response to current concerns and a different balance would be desirable if it could be achieved. This is a quote from page 162 of the Bank of England quarterly bulletin.

It is clear from the near dated futures contract to be overtaken in market volume with over a month to run to delivery. By the end of last week, however, the December contract was trading three times the volume of September. August is not usually a time of hectic activity in financial markets: this year is no exception, but even by the present standards turnover of only about 8,000 lots in September delivery on Friday may seem

telling us something. It is saying that the market has completely given up any idea that bank base rates will be cut by delivery of the contract in mid-September. The closing price of 89.25 was equivalent to a cash interest rate of 13 1/2 per cent for three-month money. Three-month interbank at the time was offered at 13 1/2 per cent on the money market.

Assuming no economic disasters over the next month, it is not unreasonable to suppose that the London interbank offered rate will be 13 per cent by mid-September, but probably not any lower. December short sterling futures are much more active because dealers are more willing to speculate that interest rates will be cut by the end of the year. Friday's December close of 86.90 virtually discounts interest rates of 13 per cent at delivery.

Optimism on rates tends to be more subjective than objective, and it is based on the belief that there are rumblings of discontent in the streets, the traditional area of strong Conservative Party support. Recent reports have suggested that some Tory MPs are putting pressure on the Government for a 1/2 point cut in bank base rates before the party's conference in October.

The Bank of England is obviously very keen to scotch any such thoughts. Where does this leave December short sterling? The answer is, probably too expensive. In one succinct sentence Liffe market traders GNI told their clients on Friday: "We remain short December short sterling." Mr Nick Farr, economist at Union Discount, says there has not been an occasion in the past two years when it would have been profitable to trade against the view in the quarterly bulletin. He agrees that short sterling is still too high.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

Table of FT-Actuaries World Indices showing regional and national market performance for Friday August 11, 1989, and Thursday August 10, 1989. Includes columns for US Dollar Index, Pound Sterling Index, Local Currency Index, and various regional indices like Australia, Canada, and the USA.

IN NEW YORK

Table showing currency rates for August 11, including US Dollar, Swiss Franc, and other major currencies.

CURRENCY RATES

Table showing currency rates for August 11, including US Dollar, Swiss Franc, and other major currencies.

CURRENCY MOVEMENTS

Table showing currency movements for August 11, including US Dollar, Swiss Franc, and other major currencies.

OTHER CURRENCIES

Table showing other currencies for August 11, including Australian Dollar, Canadian Dollar, and others.

STERLING INDEX

Table showing the Sterling Index for August 11, comparing current and previous values.

EXCHANGE CROSS RATES

Table showing exchange cross rates for August 11, including US Dollar, Swiss Franc, and other major currencies.

POUND SPOT-FORWARD AGAINST THE POUND

Table showing pound spot-forward rates against the pound for August 11, including one-month and three-month forward rates.

DOLLAR SPOT-FORWARD AGAINST THE DOLLAR

Table showing dollar spot-forward rates against the dollar for August 11, including one-month and three-month forward rates.

EUROPEAN OPTIONS EXCHANGE

Table showing European options exchange data for August 9, 10, and 11, 1989, including call and put options.

BASE LENDING RATES

Table showing base lending rates for various banks and institutions, including City Merchants Bank and others.

MONEY MARKETS

Rate changes unlikely in the near future

THERE IS little prospect of a change in world interest rates at present. The US economic picture brightened towards the end of last week, pushing the dollar up, but made any relaxation of the Federal Reserve's monetary stance less likely.

World interest rates have been steady since the end of June, when the West German Bundesbank raised its discount rate, prompting a general increase among the members of the EMS exchange rate mechanism. One or two countries outside the European Community, but linked economically to West Germany, such as Switzerland and Austria, also adjusted rates upwards.

It is clear that the Fed is now likely to delay a reduction in US rates, a rally by the dollar will not encourage cuts by the other large industrial nations. The Bank of Japan kept its domestic money market tight last week, and according to some economists may soon raise its discount rate, while another rise in German rates cannot be ruled out sometime later this year.

encouraged better sentiment, with strong bidding at Thursday's auction of 30-year Treasury bonds. World interest rates have been steady since the end of June, when the West German Bundesbank raised its discount rate, prompting a general increase among the members of the EMS exchange rate mechanism. One or two countries outside the European Community, but linked economically to West Germany, such as Switzerland and Austria, also adjusted rates upwards.

FT LONDON INTERBANK FIXING

Table showing FT London interbank fixing rates for August 11, including 1-month and 3-month US dollars.

MONEY RATES

Table showing money rates for August 11, including Treasury Bills and Bonds.

JOTTER PAD

Jotter pad containing various financial notes and updates, including market commentary and company news.

ISLE OF MAN ENTERPRISES LIMITED

Advertisement for Isle of Man Enterprises Limited, detailing company information and share offerings.

BANK OF ENGLAND TREASURY BILL TENDER

Table showing Bank of England Treasury Bill tender details for August 11, including bill types and amounts.

WEEKLY CHANGE IN WORLD INTEREST RATES

Table showing weekly change in world interest rates for August 11, including London, New York, and other major markets.

LONDON MONEY RATES

Table showing London money rates for August 11, including overnight, 7 days, and 1 month rates.

FIXED INTEREST STOCKS

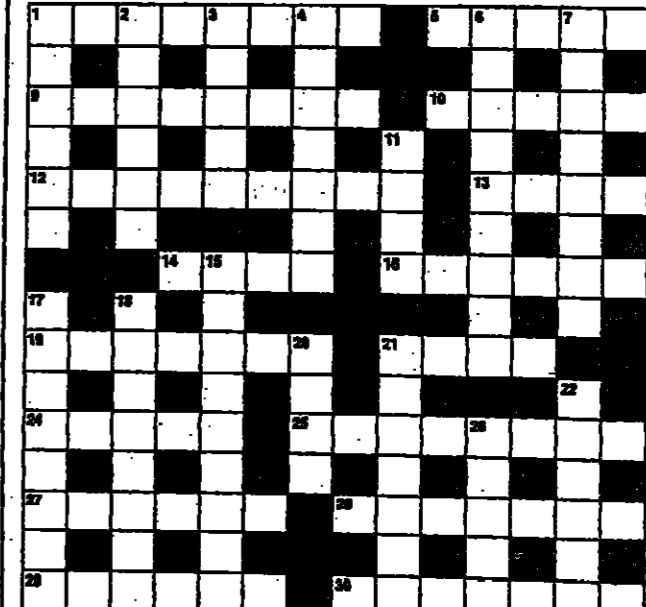
Table showing fixed interest stocks for August 11, including various government and corporate bonds.

RIGHTS OFFERS

Table showing rights offers for August 11, including company names and offer details.

CROSSWORD

No.7,011 Set by TANTALUS



ACROSS 1 and 5 Almost every class in the assembly reads Jonson's work (6). 2 Numbers accept back number compositions (6). 3 Channel Island has a stone bust (5). 4 A vegetable with silver and first-class weapon (7). 5 Study and make fresh start - what a difference (6). 6 Conductor to choose right poem (6). 7 Former railway worker who sells goods (8). 8 At sea, expect many bearing an emblem (6). 9 Swimmer acquires second trophy (4). 10 Course tips? (9). 11 Way to travel, not dishonest (6). 12 Lunning, dovotie entertain many by lake (6). 21 I go into Naples playing with dog (7). 22 View unopened wing (6). 23 In the home countries it is always hard (6). 24 Discourage animals surrounding junction (6). 25 The solution to last Saturday's prize puzzle will be published with names of winners on Saturday August 26.

Johnnie Lito

WORLD STOCK MARKETS

Just in time

AUSTRIA

Table with columns: High, Low, August 11, Price, Change. Lists various Austrian stocks like Alpine, Austria, etc.

FRANCE (continued)

Table with columns: High, Low, August 11, Price, Change. Lists various French stocks like Air France, Bouygues, etc.

GERMANY (continued)

Table with columns: High, Low, August 11, Price, Change. Lists various German stocks like Daimler-Benz, Volkswagen, etc.

ITALY (continued)

Table with columns: High, Low, August 11, Price, Change. Lists various Italian stocks like Fiat, Eni, etc.

NETHERLANDS

Table with columns: High, Low, August 11, Price, Change. Lists various Dutch stocks like ABN-Amro, etc.

SPAIN

Table with columns: High, Low, August 11, Price, Change. Lists various Spanish stocks like Banco de España, etc.

FINLAND

Table with columns: High, Low, August 11, Price, Change. Lists various Finnish stocks like Nokia, etc.

GERMANY

Table with columns: High, Low, August 11, Price, Change. Lists various German stocks like Daimler-Benz, Volkswagen, etc.

FRANCE

Table with columns: High, Low, August 11, Price, Change. Lists various French stocks like Air France, Bouygues, etc.

JAPAN

Table with columns: High, Low, August 11, Price, Change. Lists various Japanese stocks like Dai-ichi Kangyo Bank, etc.

AUSTRALIA (continued)

Table with columns: High, Low, August 11, Price, Change. Lists various Australian stocks like BHP, etc.

HONG KONG

Table with columns: High, Low, August 11, Price, Change. Lists various Hong Kong stocks like HSBC, etc.

INDONESIA

Table with columns: High, Low, August 11, Price, Change. Lists various Indonesian stocks like PT Garuda, etc.

NETHERLANDS

Table with columns: High, Low, August 11, Price, Change. Lists various Dutch stocks like ABN-Amro, etc.

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Table with columns: High, Low, August 11, Price, Change. Lists various Dutch stocks like ABN-Amro, etc.

CANADA

Table with columns: High, Low, August 11, Price, Change. Lists various Canadian stocks like Alcan, etc.

TORONTO

Closing prices August 11

Table with columns: Stock, High, Low, Close, Change. Lists various Toronto stocks like Alcan, Bell Canada, etc.

INDICES

Aug 11 10 Aug 9 8 1989

Table with columns: Index, Aug 11, Aug 10, Aug 9, Aug 8, 1989. Lists various indices like Dow Jones, Nikkei, etc.

NEW YORK

DOW JONES

Table with columns: Aug 11, Aug 10, Aug 9, Aug 8, 1989. Lists Dow Jones index values.

NEW YORK

STANDARD AND POORS

Table with columns: Aug 11, Aug 10, Aug 9, Aug 8, 1989. Lists Standard and Poors index values.

NEW YORK

COMMODITIES

Table with columns: Aug 11, Aug 10, Aug 9, Aug 8, 1989. Lists commodity prices like oil, gold, etc.

NEW YORK

FINANCIAL RATIO

Table with columns: Aug 11, Aug 10, Aug 9, Aug 8, 1989. Lists financial ratios like P/E, etc.

CANADA

Aug 11 Aug 10 Aug 9 Aug 8 1989

Table with columns: Index, Aug 11, Aug 10, Aug 9, Aug 8, 1989. Lists Canadian indices.

NEW YORK

ACTIVE STOCKS

Table with columns: Stock, Price, Change. Lists active stocks in New York.

TOKYO

Most Active Stocks Friday August 11 1989

Table with columns: Stock, Price, Change. Lists most active stocks in Tokyo.

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AMEX COMPOSITE PRICES

4pm prices August 11

Large table with columns: Stock, Price, Change. Lists various Amex composite prices.

AMEX COMPOSITE PRICES

Table with columns: Stock, Price, Change. Lists various Amex composite prices.

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

4pm prices August 11

Main table containing stock prices, organized into columns with headers like 'High', 'Low', 'Stock', 'Div.', 'Yld.', 'E', '100', 'High', 'Low', 'Close', 'Open', 'Change'. Includes a 'Video precision Video excellence' advertisement on the left side.

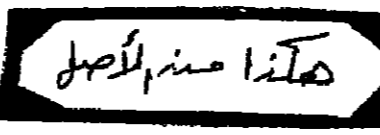
Continued on Page 27

Joseph Lito

NYSE COMPOSITE PRICES

OVER-THE-COUNTER

Nasdaq national market, 4pm prices August 11



Main table of stock prices with columns for stock name, price, and change. Includes sub-sections for NYSE Composite Prices and Over-the-Counter.

Notes: Figures are unadjusted. Yearly highs and lows reflect the previous 52 days... Dividend dates are based on the latest available information...

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The Business Column

Strategy is ability to admit you are wrong

It is not enough for companies to devise plans and strategies. They also have to implement them.

And what is implementation? Mr Henry Mintzberg, professor of management at McGill University in Montreal, says that "implementation means dropping a solution into the laps of people informed enough to know it won't work but restricted from telling anyone in power what can." Yet senior managers continue to formulate strategies and order them from consultants. Strategy, after all, has been central to the success of Japanese industry.

A Boston Consulting Group report on how Japan replaced Britain as a supplier of motor cycles to the US described Honda's strategy of focusing initially on the sale of small bikes to middle-class consumers.

"Very clever, those Japanese," Mintzberg observes in a new collection of his writings and speeches. "In fact, Honda had no strategy at all, except to see if it could sell motor cycles in the US.

The company began its effort in the US just as the motor cycle season was ending. Eventually they sold a few larger bikes, which promptly broke down. Faced with a collapse of sales, Honda tried selling the small bikes which were such a success in Japan. Americans loved them. So much for the carefully devised strategy which destroyed the British motor cycle industry.

Prepared to listen

Richard Pascale, an expert on Japanese management and the man who found out the truth about Honda in the US, says that the company's success was achieved by senior managers humble enough not to take their initial strategic positions too seriously.

Honda's senior management were prepared to accept that they had been wrong. Hands up any British employees who can remember the last time their senior managers admitted they were wrong.

Honda's executives were also prepared to listen to the employees who were closest to the US market. British managers would argue that they, too, have done a lot to improve their communications with their employees. Team briefings, company newspapers and videos to explain new developments (and corporate strategy) are now commonplace. All these communications devices have one thing in common: they enable managers to talk to employees. They do not allow employees to talk to management.

Yet it is the employees who have to put management's plans into practice. It is the employees who know most about the production process and the preferences of the customers. They run the company's equipment and sell and service its products.

There are UK companies which make strenuous efforts to use their employees' intelligence and experience. The vast majority of British executives, however, are as keen on listening to their employees as they are on surrendering the keys to the company Jaguar. The idea that their subordinates might know more about aspects of the business than they do is, to many managers, simply laughable.

Even companies which in theory welcome market intelligence from employees often put obstacles in the way of those who try to provide it.

On a recent trip to Cambridge, one UK employee noticed that his company's competitors had achieved great success with their products. He asked a few questions, described his company's product and was assured that it would sell equally well. Arriving back in the office filled with enthusiasm, he made a direct phone call to the director responsible. The director's secretary demanded to know what he wanted. He explained. She went off to speak to her boss. "He says to put it in a memo," she said on her return.

As Mintzberg argues, we build our organisations so that they cannot learn. "The formulators lack the information, the implementers lack the power," he says.

Michael Skapinker
 *Mintzberg on Management. The Free Press. £19.95

THE MONDAY INTERVIEW

Artisan with a taste for myth

Philippe Starck, the enfant terrible of French design, talks to Alice Rawsthorn

Starck had made his name as one of the leading lights of *avant garde* French design. In 1982 he was asked by President Mitterrand to renovate three rooms in his apartment at the Elysée Palace. The French press caught the scent of a scandal and flung itself into the fray.

"I was the bad boy of architecture," recalls Starck. "I was the nightclub designer who hung around with Hell's Angels in a motorcycle gang. Nobody could believe that the president of France had become involved with a man like me. It was very, very scandalous."

Since then, Starck's career has never looked back. A year after the furore over the Elysée

turer, the other for a European - and a boat for Benetton in France. He is also planning a second Café Costes in Paris and a new town outside Tokyo. His designs tend to be descriptively simple. "I do not like superfluity. It is not in my nature. My designs are like my name - Starck," he says. But everything he does - the three-legged chairs are typical - has a twist of wit.

Obviously the design of the Royalton, with its opulent colours and shiny surfaces, evokes the luxury of life aboard the ocean liners of the 1930s. But Starck also sees the hotel as a metaphor for Manhattan and its history as an island of immigrants. The walls are lined with wood, an emblem of the ships that brought the immigrants to the island. The carpets are bordered by snakes, a symbol of the ethnic communities which fill the city.

PERSONAL FILE

1949 Born, Paris
 1967 Left design school without graduating
 1982 Designed apartment for President Mitterrand at the Elysée Palace
 1983 Opening of Café Costes in Paris
 1988 Opening of Royalton Hotel in New York

came the opening of Café Costes. It was an instant success. Starck was besieged with offers of new projects.

When Steve Rubell, the New York nightclub owner, saw an article on Café Costes he commissioned Starck to redesign the Royalton, a dilapidated hotel he had bought in Manhattan. The renovation of the Royalton cost \$14m. Since its reopening last autumn the interior has been splashed across glossy magazines all over the world.

Before Rubell's death last month, Starck was designing another hotel for him. He is working on two televisions - one for a Japanese manufac-

ture, the other for a European - and a boat for Benetton in France. He is also planning a second Café Costes in Paris and a new town outside Tokyo. His designs tend to be descriptively simple. "I do not like superfluity. It is not in my nature. My designs are like my name - Starck," he says. But everything he does - the three-legged chairs are typical - has a twist of wit.

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Wherever he is, he works on ideas for new projects. Once, he says, he designed a chair in the time that it took for the seatbelt signs to go on and off in an airplane. "My work is a sickness," he says. "But I can not be without it."

A few years ago he tried to reorganise his lifestyle by buying houses in different cities. But that did not work out. Instead he has installed motor bikes - almost all Harley Davidson - in the five cities where he spends most of his time. "I arrive with my helmet and my key," he says. "I pick up my bike and then I can live like I live in Paris."

Starck's attitude to his work is riddled with contradictions.



'Everybody should have access to good products'

He espouses the aesthetic ideals of the Bauhaus; insisting that good design should be available to everyone, not just to an elite. "I cannot imagine working only for the rich," he says. "Everybody should have access to good products. The way to work is to get the best and give it to everyone. I call it 'democratic high fashion.'"

He cites the budget range of furniture that he designs for the Trois Suisses mail order catalogue in France as one of his favourite projects. Yet most of the things he designs are so expensive that only the very wealthy can afford them.

Starck still wears the same grubby T-shirts and scuffed

jeans he favoured as a young designer. But his lifestyle is lavish. He is building a brand new home, with a helipad, on a plot of land next to his Louis XIV house. Recently he bought an oyster farm - "my new game" - on the French coast.

One of the reasons why he works as a freelance is that he hates the idea of employing - and possibly exploiting - other people. Yet he works with many of the world's most powerful multinationals.

He is unafraid by the contradictions. "I struggle and I struggle but I have to accept society for what it is," he says. "My work is for everyone: not only for the poor, or for the

rich. I use the ideas from my designs for the President, in my range for the mail order catalogue."

In the future Starck intends to be stricter with his time. "We need to make less," he says. "At the moment we are busy, too busy. There are always many, many people asking for things." He plans to concentrate on product design and architecture, while reducing his involvement in areas like interior design.

"Interiors have become boring," he says. "At one time all I wanted was to design an intelligent toilet. Now there are intelligent toilets everywhere. It is time for me to move on."

Polish power slipping through many hands

Dr Martin Swiecicki has just been appointed the Economic Secretary of the Central Committee of the Polish United Workers' Party. It is one of the ruling party's top positions. At the age of 42 - young in any political system - Swiecicki is a Communist one - he has the world at his feet.

Eastern Europe Notebook

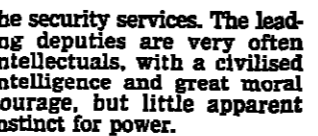
Or had. Now, all Dr Swiecicki can see is a chain of impasses from which the Polish economy cannot escape, or can only attempt to escape at the price of social explosion. The ill-prepared liberalisation of prices on the first of this month may have already generated a swelling tide of resentment which has yet to break. The Western aid package, intended to help cushion the shock of more market-based prices, has been meagre, not permitting the rebuilding of hard-currency reserves needed either for capital investment or to support present levels of consumption.

But, worse (from the party's point of view) than the crises which confront Dr Swiecicki is the fact that they do not confront him. Which is to say that the job of a central committee secretary, with responsibility for the economy, is not what it was and may never be again.

In these circumstances, Gen Czeslaw Kiszczak continues to struggle unavailingly to form a government. Mr Mieczyslaw Rakowski, the former Prime Minister and now PUPW first secretary, has the worst job in the Socialist bloc: seeking to steel a party which has lost its purpose and found no legitimacy. Solidarity holds the political cards, but has no better solutions than anyone else. In all the most likely versions of Poland's future, the Communists will lose power because it is so obvious that they have no support. But Dr Swiecicki will no longer be - as his post once allowed his holder to be - economic overlord of Poland.

The pessimism with which he approaches his new post is not confined to him or the PUPW. Power in Poland now appears to be slipping through a dozen pairs of hands, with none possessing the competence or will to grasp and hold it.

In his speeches, Mr Lech Walesa continues to bait the Communists, to support strikes for higher wages which simply chase prices on an ever-quickening elevator. Solidarity deputies in the Sejm (Parliament), seek to settle old scores with



the security services. The leading deputies are very often intellectuals, with a civilised intelligence and great moral courage, but little apparent instinct for power.

Mr Walesa's invitation last week to the PUPW's coalition partners - the United Peasant Party and the Democrats - to switch sides to a Solidarity-led government, was not talked through with the parliamentary group and was simply released a week ago to the official news agency. It almost seemed as if Mr Walesa wanted to test reactions, rather than lay the final seal on a general strategy. Prof Bronislaw Geremek, the Parliamentary leader, suggested that a Solidarity-led coalition could embrace reform Communists. This is policy being made on the hoof.

The Walesa initiative has, of course, brought into play two parties whom everyone simply ignored as political footstools. I met, last week, the leaders of both the Peasant and the Democratic parties: even in 60-minute interviews, it became clear why this had been so, but less clear if it could change.

Mr Roman Malinowski, the Peasant Party president, likes to talk of his party's 90-year-old traditions, and its role in stopping Communist collectivising. He insisted that his party had always been non-Marxist, for democracy and for the market. On his bookshelves, the works of Lenin - just like any senior PUPW functionary. Behind him, forty years in which his party had been first broken, its non-collaborationist elements scattered or repressed and it given a token position. Beneath him, his deputies rebel; having been placed into supporting Gen Kiszczak as Prime Minister, they have changed their minds in the face of the Walesa offer; and

have now declared an end to collaboration with the Communists. Mr Malinowski, soon to retire, is probably unable to rid himself of habits of deference, but his younger colleagues have yet to show themselves able to learn the habits of competitive politics.

For the first five years he has worked from his home, a Louis XIV house outside Paris. "I live and work in the forest," he says. "I work, work, work all the time in my head. That

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